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Department of Design, Development, Environment, and Materials
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The Management of Corporate Social Responsibility in the UK rail sector

A thesis submitted to The Open University for the degree of
Master of Philosophy

By

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Abstract

There is increasing interest from the public and private sector in not only how companies do business in financial and commercial terms, but also in the way they take into account the impacts they have on the communities, stakeholders, and environments in which they operate. There is increasing evidence from these sectors that companies that actively manage social, environmental, health and safety issues, demonstrating Corporate Social Responsibility (CSR), will do better financially and in share price valuation. Companies that take this CSR initiative are also rated in surveys as companies where people want to work and do business.

To date there has been little previous research carried out on CSR in the UK rail sector. This thesis therefore examines the evolution of the relationship between CSR and the UK rail sector, assesses the significance of the relationship between CSR and the corporate success of UK rail sector organisations and appraises the efficacy of the implementation and use of CSR management in UK rail organisations. Using results and findings taken from a questionnaire-based survey, supported by personal interviews, of the experience of a sample of UK rail sector managers with responsibility for CSR, and an analysis of documentation from a literature review, a case is presented for the proposal that effective CSR management can improve stakeholder perception.

Specifically, the research reported in this thesis addresses the proposition that the management of CSR is essential in successful UK rail organisations and that the implementation of CSR could help reduce the impact from catastrophic incidents such as rail fatalities at pedestrian level crossings and derailments.

	Page
List of Figures	v
List of Tables	vi
Statement of original authorship	vii
Acknowledgements	viii
Publications	ix
Introduction	1
Chapter 1.0 Management of CSR in the UK rail sector - a Literature Review	8
1.1 Introduction	8
1.2 Recent developments of CSR in UK the rail sector	17
1.3 Comparison of CSR literature from UK rail and selected transport sectors	18
1.4 Current definitions of CSR	29
1.5 A Review of current CSR strategies and practices	33
1.6 For and against – the CSR debate	37
1.7 The development of CSR in the UK rail sector	43
1.7.1 CSR in British Rail	43
1.7.2 CSR post-privatisation and Railtrack	45
1.7.3 Current CSR and Network Rail	47
1.8 A Review of CSR principles, standards and legislation	49
1.9 CSR policies and corporate codes of conduct	51
1.10 CSR Reports in other sectors	52
1.11 Summary	59
Chapter 2.0 Research Strategy and Methods	61
2.1 Introduction	61
2.2 Research questions	61
2.3 Research Methods	62
2.4 Developing the research approach	66
2.5 The research questionnaire-based survey	68
2.6 The research interview-based survey	77
2.7 Ethical considerations	77
2.8 Summary	78
Chapter 3.0 The Management of CSR in the UK rail sector: Research Results, Analysis and Discussion	80
3.1 Introduction	80
3.2 Results from the questionnaire-based survey	81
3.3 Results from the interviews	89
3.4 Discussion of the results of the literature review	96
3.4.1 Positive comments for the management of CSR in the UK rail sector	96
3.4.2 Negative comments	98
3.4.3 Positive versus negative comments	100
3.5 Discussion of the results from the questionnaire-based survey	100

Contents

3.6 Interpretation of the results	106
3.7 Comparison with other research	108
3.8 Contribution to existing research	109
3.9 UK rail sector corporate reputation and public image	113
3.10 Change Management: Success factors and challenges	118
3.11 Vision and senior management commitment to CSR	120
3.12 Summary	123

Chapter 4.0 Conclusions **124**

4.1 Introduction	124
4.2 The Five Research Questions: Key Findings	124
4.3 The case for CSR in the UK rail sector	126
4.4 Current CSR Models and Standards	129
4.5 Concluding summary	130
4.6 Contribution to knowledge	131
4.7 Further research opportunities	133

References **135**

Appendices **148**

Appendix 1 UK Railway Nomenclature and Definitions	148
Appendix 2 Summary of answers to questionnaire and interviews	152
Appendix 3 Interview and questionnaire-based survey response	158
Appendix 4 Questionnaire and interview, company contacts	165

	Page
<i>1.4.1 Carroll's pyramid of corporate social responsibility</i>	33
<i>3.2.1 Results showing definitions that best describe CSR</i>	85
<i>3.2.2 Results showing the actual benefits of CSR reporting</i>	85
<i>3.2.3 Results showing the importance of CSR reporting to business opportunities</i>	86
<i>3.2.4 Results showing the level of integration</i>	86
<i>3.2.5 Results showing the main driving forces behind CSR</i>	87
<i>3.2.6 Results showing what instruments are implemented to facilitate CSR</i>	87
<i>3.2.7 Results showing the most important business responsibilities of CSR</i>	88
<i>3.2.8 Results showing level of agreement for CSR reporting</i>	88
<i>3.9.1 The social amplification from a catastrophic event</i>	117
<i>3.9.2 The Potters Bar incident and resulting ripple effect</i>	117
<i>3.10.1 Conceptual model proposing five key ingredients to effect complex change, such as the implementation of CSR systems</i>	119

	Page
I.1 Appropriateness of the research	5
1.3.1 Example of company CSR statements and assurance	19
1.3.2 Selected UK rail sector companies that suffered financial loss from unexpected catastrophes	27
1.3.3 Number of fatalities at UK rail crossings 2002 to 2010	27
1.4.1 Definitions of CSR	29
1.4.2 The five dimensions, how the coding scheme was applied and example phrases	32
1.10.1 Trends in reporting showing the numbers reporting for the first time	56
2.3.1 Relevant Situations for Different Research Methods	63
2.5.1 General information and personal details of the respondents	76
3.2.1 Results from the questionnaire-based survey	81
3.5.1 Analysis of the results of the questionnaire-based survey	101
3.7.1 Selected questions comparing the factors for implementing CSR	108
3.9.1 Media coverage of rail industry incidents resulting in loss of lives	116
Appendix 2.1 Summary of answers to questionnaire and interviews	152
Appendix 3.1 Interview and questionnaire-based survey response	158
Appendix 4.1 Interviewees and Company Contacts	165

Statement of original authorship

I, Barry Johnson, confirm that:

I am the original author of this thesis and that the research needed to produce this work was undertaken solely by me.

I have read the University policy on plagiarism and the work presented in this dissertation is my own writing.

This work has not been published previously nor has it been used towards the award of any degree or any qualification of the Open University or any other degree-awarding body.

Signed:

Date: 30th April 2014

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Publications

Johnson, B. (2002). *Environmental Management Systems in the Rail Industry*. MSc Dissertation. The Open University 2002.

Johnson, B., Kluth, A. and Barratt, R.S. (2008). *Corporate Responsibility for pedestrian risks at Level Crossings*. Paper presented to the 10th World Level Crossing Symposium, Safety and Trespass Prevention, Paris, 24th June 2008.

Johnson, B., Kluth, A. and Barratt, R.S. (2008). *Corporate Responsibility for pedestrian risks at Level Crossings*. Paper published by the International Journal of Performability Engineering, Vol. 7, Number 4, July 2011.

Introduction

This thesis explores the management of Corporate Social Responsibility (CSR) in the UK rail sector. The contention here is that the implementation of CSR, in this sector, which has evolved from being a recommendation to a requirement, could as a result help reduce the impact from catastrophic incidents such as rail fatalities.

The motivation to study this area followed from the continuing number of fatalities at pedestrian level crossings. One such incident occurred in 1990 when a lady, accompanied by her two sons and a neighbour's daughter, was attempting to cross over the Carr Lane footpath and bridleway crossing, over the 125mph East Coast Main Line (ECML) south of Doncaster, when she and two of the children were struck and killed by a northbound passenger train travelling at speed. This horrific accident took place just over a mile from the author's home and was instrumental in leading to this research.

Further justification, if more is needed, was the double fatality of two teenage girls who were hit by a train doing 70mph through Elsenham station in Essex in 2005. The girls had walked across the tracks through an unlocked crossing. An investigation followed and, in February 2007 an inquest jury returned a verdict of accidental death. But in February 2011 the inquiry took a fresh twist when new evidence emerged. A previously unseen Network Rail report revealed safety concerns over the crossing had been expressed in 2002, three years before their deaths. After a series of such accidents Network Rail and the larger of its rail contractors were keen to avoid further bad publicity and potential litigation. CSR management, it was thought, would ensure UK rail sector organisations operate their businesses in a manner that meets or exceeds the ethical, moral, legal and public expectations that society has of business.

The formal response by the UK rail sector to these kinds of accidents and incidents is published annually by the Railway Safety and Standards Board (RSSB). In its Annual Safety Performance Report 2011/2012 it was maintained that: 'Most of the accidents to members of the public results from their own actions, such as trespass or level crossing misuses. It went on to say 'Fatalities to

level crossing users remain low, most level crossing fatalities occur on passive crossings where the user has an increased responsibility for ensuring that it is safe to cross' and 'UK level crossing safety is amongst the best in Europe', (RSSB, 2012). From statements such as these and accident data contained in the Report from the five years 2007/08 to 2011/12 it would appear that the UK rail sector was resigned to the fact that an average of five fatalities a year occur on pedestrian level crossings. This research will argue this is not acceptable and that one fatality is one too many and every effort should be made to prevent them and that the effective management of CSR can contribute to this.

It appears to this author that the key issues facing the management of CSR in the UK rail sector are:

- The affirmation from Network Rail that CSR is important and which has evolved from a recommendation into a requirement.
- That the benefits to a company from CSR can be viewed as just an additional commercial aim that can provide a benefit to the bottom line, help foster a corporate paternalistic culture, to improve reputation or for altruistic reasons.
- That Network Rail and the larger contractors set the requirements for CSR in the UK rail sector, meaning smaller contractors have to comply if they wish to win contracts.

The majority of companies working for Network Rail, the UK rail infrastructure 'owner', as a Principal Contractor (PC) often subcontract work to companies with International Organisation for Standardisation (ISO) certified quality and environmental management systems and Occupation Health and Safety Assessment Series (OHSAS) for health and safety management systems. They can then in turn subcontract work to others and if these do not have certified systems that is where problems can occur. The aim of this research and the contribution to new knowledge it presents is therefore to assess the importance of the relationship between CSR and the UK rail sector for successful rail organisations. It is contended here that to maintain a 'licence to operate', companies working in this sector will have to demonstrate effective management of CSR that can be verified.

CSR is concerned with the relationship between organisations and society and how these organisations reduce any adverse impact of their operations on the community. This reduction is achieved by the assumption that the effective management of CSR matters can lead to long-term benefits. CSR has been defined and described in many ways; however, most definitions include voluntary management and the reporting of environmental, social and financial performance in a manner that meets, or more importantly exceeds ethical, commercial and stakeholder expectations. CSR is a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis (European Commission, 2004).

According to Business for Social Responsibility (BSR) the value of effective CSR management is potentially huge, and its benefits extend beyond cost saving and increased efficiency (BSR, 2004). Organisations such as those in the UK rail sector operate within the wider environment of society and so have to meet social expectations if they are to be acceptable to society. To meet these social expectations they have to achieve and maintain the so-called 'licence to operate'. This more open and transparent corporate behaviour is described in a number of ways including CSR, sustainable development, corporate citizenship, and corporate responsibility.

The first UK rail sector CSR statement entitled 'A Corporate Responsibility Review' was published in 1997 by Railtrack, (Railtrack, 1997a) the organisation at that time responsible for the rail infrastructure after the privatisation of British Rail. This was followed by annual Corporate Sustainability Reports containing an increasing commitment to environmental and social obligations. This change in policy direction appeared to give this research more credence and greater relevance to the notion that the management of CSR in the UK rail sector can improve corporate image. In order to contribute to the debate on the increasing interest in how the UK rail sector considers the impact it has on the communities, stakeholders, and environments in which it operates, this thesis examines the evidence that companies actively managing CSR do better financially and in share price valuation.

Given that the overarching aim of the thesis is to explore the management of CSR in the UK rail sector to see if contractors with good CSR management systems are more preferable to Network Rail, it is now essential to affirm how the research will be conducted. In order to do this, it is necessary to identify a set of tangible research objectives together with a set of research questions to be addressed.

There are three main research objectives:

1. To examine the evolution of the relationship between CSR and the UK rail sector.
2. To assess the significance of the relationship between CSR and the corporate success of UK rail sector organisations.
3. To appraise the efficacy of the implementation and use of CSR management in UK rail sector organisations.

Specifically, this research addresses the following five research questions:

Research Question 1: *Who/what is the main driving force behind CSR initiatives in the UK rail sector: external stakeholders, employees, management or interested parties?* The research examines if the engagement with CSR is due to increasing public expectations, the organisation's directors, or from pressure from stakeholders and shareholders.

Research Question 2: *What type of information, relevant and accessible to the stakeholder should be included in a CSR report?* The research seeks to discover if it should include negative information such as incidents, accidents, and critical events.

Research Question 3: *Should the CSR report contain environmental data only or social, health, safety and corporate governance/compliance data?* The research examines the proposition that, if CSR reports in the UK rail sector are to be of value what type of information should be included.

Research Question 4: *Where external communication in the UK rail sector breaks down, to what extent is the impact of inaccurate information and loss of stakeholder confidence irretrievable?* The research will seek to discover if the loss of confidence by stakeholders in the UK rail sector could be prevented by increased management of CSR and the total disclosure of an organisation's activities 'warts and all', demonstrating honesty and transparency. A further contribution will be to discover if it is possible to bank stakeholder 'confidence credits', to be available at times of organisational crisis.

Research Question 5: *Is the management of CSR essential in successful UK rail sector organisations?* The research will examine evidence for the proposition, that previous research only suggested, that CSR could help UK rail sector companies be more successful.

The three main research objectives and their links to the five research questions are presented in Table I.1:

Table I.1. Appropriateness of the research.

Objectives	Research Questions
To examine the evolution of the relationship between CSR and the UK rail sector.	Research Question 1: <i>Who/what, is the main driving force behind CSR initiatives in the UK rail sector: external stakeholders, employees, management or interested parties?</i> Research Question 2: <i>What type of information, relevant and accessible to the reader, should be included in a CSR report?</i>
To assess the significance of the relationship between CSR and the corporate success of UK rail sector organisations.	Research Question 3: <i>Should the CSR report contain environmental data only, or social, health, safety and corporate governance/compliance data too?</i> Research Question 5: <i>Is the management of CSR essential in successful UK rail sector organisations?</i>
To appraise the efficacy of the implementation and use of CSR management in UK rail sector organisations.	Research Question 4: <i>Where external communication in the UK rail sector breaks down to what extent is the impact of inaccurate information and loss of stakeholder confidence irretrievable?</i>

The chosen approach to the research is empirical and primary based on the results of analysis identified during personal interviews and from a questionnaire-based survey. These research instruments are used in this research to analyse recorded transcripts of interviews with participants, supported by both a quantitative and qualitative approach, and including a questionnaire-based survey with environmental and CSR professionals from within the UK rail sector. The questionnaire-based survey is the principal means of collecting primary data, comprising twenty five questionnaires and fifteen interviews. The questionnaire-based survey targeted members of the

UK rail sector for a broad picture of the situation of CSR in this sector, where there was no dedicated CSR base.

The thesis is organised into four substantive chapters, as follows:

The first chapter, entitled: *Management of CSR in the UK rail sector – a Literature Review*, provides an introduction to the historical development of CSR in the UK rail sector with current definitions of CSR and a review of current CSR models. It presents arguments for and against and provides a review of CSR standards and guidance. It discusses the recent developments of CSR in the sector and reviews current CSR strategies and practices. It makes comparisons of CSR literature from the UK rail sector and selected transport industries including a review of CSR principles, standards and legislation, CSR policies and corporate codes of conduct and CSR reports in other sectors. It also attempts to provide a robust working definition of CSR in the UK rail sector to act as a benchmark for the empirical research to follow. It explores Research Question 5: *Is the management of CSR essential in successful UK rail sector organisations?*

The second chapter, entitled: *Research Strategy and Methods*, introduces the research approach, the research instruments - the questionnaire and personal interviews - as well as ethical considerations. It describes the relevant situations for the application of different research methods and how the approach for the empirical research was chosen. It addresses the four remaining research questions: Research Question 1: *Who/what is the main driving force behind CSR initiatives in the UK rail sector: external stakeholders, employees, management or interested parties?*

Research Question 2: *What type of information, relevant and accessible to the reader, should be included in a CSR report?*

Research Question 3: *Should the CSR report contain environmental data only, or social, health, safety and corporate governance/compliance data too?*

Research Question 4: *Where external communication in the UK rail sector breaks down to what extent is the impact of inaccurate information and loss of stakeholder confidence irretrievable?*

These research questions are exploratory and focus on contemporary events and the questionnaire-based and interview-based survey methods are used. The questionnaire-based survey and interview-based survey method helps identify the participating UK rail sector companies with effective CSR capabilities and determines if this is correlated with success, or otherwise.

The third chapter, entitled: *The Management of CSR in the UK rail sector: Research Results, Analysis and Discussion*, provides the results from the literature review, results from the questionnaire and results from the interviews. It discusses and analyses these results and provides an interpretation of their findings. It examines what the results mean and what the findings reveal about the research problem. It compares responses to eight key questions selected from the questionnaire-based survey against previous research in this area. It introduces and discusses the five research questions shown in Table I.1. It compares these five research questions with other research in this area. It discusses their contribution to existing research, explores the business value of CSR and the benefit to corporate reputation and public image. It also discusses change management with its success factors and challenges and senior management commitment to CSR in the UK rail sector.

The fourth and final chapter, entitled *Conclusions*, provides the conclusions of the research in relation to the five research questions, and includes a summary of its contributions together with recommendations. It examines the impact on an organisation's reputation of corporate management during a crisis, and if a negative impact can be mitigated by the implementation of CSR.

Opportunities to develop the research to consider wider issues of the relationships between Network Rail, the rest of the UK rail sector and the UK Government are outlined.

Chapter 1.0 Management of CSR in the UK rail sector - a Literature Review

1.1 Introduction

This chapter provides a broad overview of the literature on CSR. Its purpose is to examine the management of CSR in the UK rail sector and provide a working definition of CSR to act as a benchmark for empirical research to follow. The review focuses principally on previous studies that have attempted to theorise explanations of CSR. Comparisons are also made of policy statements from a sample of nine UK rail sector companies and from other selected industries. The selected industries for comparison include air, sea and road transportation. Principles, standards and codes of conduct are examined and the impact they have on corporate reputation critically analysed.

The chapter is organised into 10 sections, covering inter alia: Recent developments of CSR in the UK rail sector (1.2), Comparison of CSR literature from the UK rail sector and other transport sectors (1.3), Current definitions of CSR (1.4), A review of current CSR strategies and practices (1.5), For and against – the CSR debate (1.6), The development of CSR in UK the rail sector (1.7), A review of CSR principles, standards and legislation (1.8), CSR policies and corporate codes of conduct (1.9), CSR Reports in other sectors (1.10), and concludes with a Summary (1.11).

A review of the early relevant literature reveals different meanings of the concept of CSR, from purely philanthropic ventures (Blumberg, 1972; Henning, 1973; Sheikh, 1996), to taking proper legal, moral and ethical actions that will protect and improve the welfare of society and businesses (Anderson, 1989). Introduced in the early 1930s (Berle, 1931; Dodd, 1932), CSR was at first concerned with senior managers considering the interest of others rather than just their shareholders. Research has shown a connection between improved CSR performance and increased shareholder value (Feldman, 1997). However, the economist Milton Friedman argued against the idea that business has a social responsibility and should be part of the stakeholder approach, an approach that is justified from a Kantian perspective. Kant's categorical imperative argued that all human beings have a right not to be treated as merely a means but as an end in themselves and that there are rights to which every human being is entitled (Kant, 1964: 70, 96). However, Friedman claimed that there is only one social responsibility in business, namely to use its resources and

engage in activities designed to increase profits (Friedman, 1993: 254). Friedman argued that in a free enterprise, private property system, a corporate executive is an employee of the owners of the business and has direct responsibilities to them. That responsibility is to conduct the business in accordance with the owner's desires, which will be to make as much money as possible while conforming to the basic rules of society, both in law and ethical custom (Friedman, 1993: 249).

Similarly Castka argues that CSR is a concept that allow organizations to operate profitably yet in a socially and environmentally responsible manner to achieve business sustainability and stakeholder satisfaction (Castka, 2005). CSR is concerned with the impacts that the activities of an organization have on the social, environmental and economic environment in which it operates. The aim of CSR is to define, understand and improve the balance between entrepreneurship and ethical practice.

Organisations must demonstrate this core organisational competence, not only to investors but also to other stakeholders, to comply with requirements of the escalating CSR agenda. Directors and managers of UK rail sector organisations must run their businesses profitably yet also be accountable for the impact of the actions of their organisations. The development of a CSR management system provides the roadmap to meet this CSR sustainability challenge. It takes a practical 'real world' approach to both subjects. What is certain is that CSR requirements have evolved and will evolve over time, hence the need for a flexible management system to manage, measure and improve the effectiveness and compliance of CSR (Castka, 2005).

In January 2001 the European Commission published its proposals for sustainable development over the following decade the proposals were contained in the document 'Environment 2010: Our Future, Our Choice' (European Commission, 2001). It made an effort to focus on priority areas that include climate change, nature and bio-diversity, environment and health, sustainable use of natural resources and management of wastes. One of its aims was to develop methods for assessing the sustainability (economic, social and environmental) impact of multilateral and bilateral trade agreements (Bennett 2001). This was followed in April 2011 by the EU Commission publishing a Green Paper on the EU corporate governance framework (EU, Green Paper, 2011) a public consultation on possible ways forward to improve existing corporate governance mechanisms.

During the late 1990s and early 2000 a number of organisations, including some in the UK rail sector, began to report voluntarily on their environmental and social performance, leading to a demand for standard reporting criteria similar to those used for financial reporting. A number of guides were produced and three examples include the ISO 14000 series of standards, in particular ISO 14031 Environmental Performance Evaluation (ISO 14001:2004), the Global Reporting Initiative (GRI, 2007) and the BS ISO 26000:2010 Guidance on social responsibility. However, social reporting, social accounting and social audit were first introduced in the 1940s when organisations began reporting on their social responsibilities.

The first UK rail sector statement that referred to CSR, the Corporate Responsibility Review, was published in 1997 by Railtrack, the organisation responsible for the rail infrastructure at the time (Railtrack, 1997a). This was the UK rail sector's first public statement on CSR. It followed this with annual Corporate Sustainability Reports (Railtrack, 1999a). Its Corporate Responsibility Report 2000/2001 (Railtrack, 2000) identified their assets to include 32,000 kilometres of track, 40,000 bridges, tunnels and viaducts, and 9,000 level crossings. It owned and operated 14 major stations and leased a further 2,500 stations and 90 depots to operators. Its task, the report states, is to deliver a reliable and safe rail network that meets the demands of all its customers and stakeholders. In order to do this in a focused and efficient way, Railtrack was managed in three distinct areas:

- Core network operations.
- Enhancement and major programmes.
- Property and new business.

The report went on to say that Railtrack had a dual role in promoting and improving the railway as a sustainable mode of transport whilst managing its impacts upon the environment. Rail has considerable environmental benefits over other modes of transport in terms of energy consumption, noise, air pollution, climate change, accidents, congestion and infrastructure damage (Railtrack, 2000). Railtrack aimed to minimise the environmental and social impacts of its operations, many of which arise through the activities of its contractors and suppliers. Currently, Network Rail, the

successor to Railtrack after its collapse, now sets out the minimum environmental standard required in all contracts it lets (Railtrack, 1999).

As an illustration of the evolving need for formalised CSR and environmental management prior to the privatisation of the UK rail industry British Rail Infrastructure Services (BRIS), the track, overhead line and signalling engineers expected their main workload would be derived from contracts with Railtrack. They had to consider their policies and operations with due regard to the environment just as rigorously as they did for safety and quality. The former British Rail Area Chemists, now Scientifics (Scientifics, 2011) is a chemical analysis company working primarily in the UK rail sector that provides independent testing and consultancy. Prior to privatisation, it carried out environmental assessments for BRIS within a number of rail depots and business units. It was found that, almost without exception, compliance with the new environmental legislation was an area of concern (Saunders, 1994).

The Environmental Regulatory Compliance Assessment for BRIS (Saunders, 1994) was supported later by Railtrack's Line Standards RT/LS/P/007 Project Management and the Environment (Railtrack, 1997b) and RT/LS/P/011 Environmental Management System (Railtrack, 1997c) and currently RT/LS/S/015 Contract Requirements – Environment (Railtrack, 1999). The assessment revealed a growing awareness of the need for effective environmental management. Formal environmental management systems (EMS) based on the former BS 7750 EMS (superseded by ISO14001) and the European ECO Audit and Management System (EMAS) did exist, and were becoming increasingly popular with UK rail sector companies wishing to be seen as more environmentally aware and socially responsible. The assessment succeeded in its fundamental objective to stimulate management commitment and action towards continuous improvement in environmental performance, a prerequisite of ISO 14001. BRIS, the assessment suggested, might wish to evolve a commitment towards environmental management, and the importance could not be over-stressed of having an effective quality management system (QMS) in place in order to facilitate the introduction of an EMS, which in turn would form the base for CSR in the UK rail sector.

By 2010, organisations within the UK rail sector were still trying to achieve and demonstrate sound environmental performance by controlling the impact of their activities, products or services on the environment, taking into account their environmental policies and objectives. They did so in the context of increasingly stringent legislation, the development of economic policies and other measures to foster environmental protection. There was a general growth of concern from interested parties within the UK rail sector about environmental and subsequently CSR issues.

After privatisation the fragmented UK rail sector, with companies increasingly struggling for contracts, had become subject to a variety of pressures other than from competition. Significantly, in common with other large-scale businesses, UK rail sector organisations were being exhorted by their most important clients and customers to respond positively to the challenge of CSR (Network Rail, 2010d). Clearly, for individual managers within the industry the issue of CSR in the form of closely connected questions relating to successful tendering for contracts and franchises presented major problems. Part of the burden of addressing the demands of CSR was the need to engage effectively with a range of stakeholders. This real-world management predicament runs parallel to an academic interest in CSR theory and models. This research contributes primarily to the academic debate by reviewing past attempts to theorise CSR to identify gaps and weaknesses.

CSR is a subject that continues to attract a lot of attention from those who argue that the whole issue is irrelevant to business (Freeman and Liedtka, 1991) through to those who see the relevance, but think it is a bad idea for business (Friedman, 1962), to the growing number of writers who think that CSR is of strategic importance to business (Werther and Chandler, 2005). Perhaps this spectrum explains why Todd Thomas, the founder of IMPACT Consulting and Development, LLC is undecided:

Depending on whom you ask, Corporate Social Responsibility (CSR) is either the characteristic that will save business in the future or the greatest economic fraud perpetrated on society in the 21st Century (Thomas, 2009).

Thomas goes on to say that for a business to be successful in the long term it has to create value, not only for its shareholders, but also for society. Alternatively, David Vogel, professor at the Haas School of Business at UC Berkley, wrote in Forbes:

To assume that the business environment has fundamentally changed and that we are entering a new world in which CSR has become critical to the success of all or even most firms is misinformed (Vogel, 2008).

This literature review compares the views of Thomas, Vogel and others within the specific context of the UK rail sector. CSR is about how businesses align their values and behaviour with the expectations and needs of stakeholders, not just customers and investors, but also employees, suppliers, communities, regulators, special interest groups and society as a whole. CSR describes a company's commitment to be accountable to its stakeholders (CSR Network, 2008). However, Porter and Kramer (Porter and Kramer, 2006) suggest what they call a 'license to operate' as one reason for CSR, while The World Business Council for Sustainable Development (WBCSD) defines CSR as:

The continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large (WBCSD, 2000).

Supporting this view, Asongu, president of the African Policy Institute, in his paper The History of Corporate Social Responsibility, maintains that:

Scholarship and research grants, environment-friendly practices and advocacy for a societal concern are lumped up into CSR practices. This holistic and altruistic approach to business regards organizations as contributing partners to community development and progress in society, rather than viewing them as money-grabbing, power-hungry institutions whose primary function is to make a buck and serve the needs of their shareholders (Asongu, 2007).

According to Asongu, there are a number of related terms or vocabulary often associated with CSR. It should not be surprising to see various authors refer to this concept differently through terms and words such as 'corporate' or 'business responsibility', 'corporate' or 'business citizenship', 'good corporate citizenship', 'community relations' and 'social responsibility'. Other closely related concepts that are all contained within the total CSR perspective include social and environmental auditing, stakeholder theory, business ethics, environmental sustainability, sustainable development, sustainability, strategic philanthropy (cause-related marketing), corporate governance and strategic corporate social responsibility (Asongu, 2007). From the available literature, it is fair to conclude that consistent definitions, labels and vocabulary have yet to be solidly established in the field of CSR.

In his book *Corporate Social Responsibility – A Legal Analysis* Michel Kerr the founder of the CSR consultancy Natural Advantage and Lead Counsel with the Centre for International Sustainable Development Law examines how the law treats CSR and warns of the risks of not engaging:

Corporations now face greater scrutiny regarding their environmental, social, and economic activities. Accounting firms and consultancies use increasingly sophisticated tools to verify corporate undertakings. Socially responsible investment funds screen corporate performance, and failure to perform even affects share price. By ignoring the legal context or viewing CSR measures as merely voluntary a corporation can expose itself to clear financial and legal liability (Kerr et al., 2009).

However, Lea, from the Institute of Directors, suggests merely conforming to legislation is not enough:

CSR is about businesses and other organizations going beyond the legal obligations to manage the impact they have on the environment and society. In particular this could include how organizations interact with their employees, suppliers, customers and the communities in which they operate, as well as the extent they attempt to protect the environment (Lea, 2002).

CSR and environmental management are intrinsically linked, as confirmed by Asongu's and Lea's quotations above. This relationship between environmental considerations and CSR is further confirmed by a review of the early relevant literature that CSR is more than just philanthropic ventures, but should also include legal, moral and ethical actions.

The Economic and Social Research Council (ESRC) (ESRC, 2009) and its Centre for Business Relationships, Accountability, Sustainability and Society (BRASS Centre) (BRASS, 2009) suggest that the history of social and environmental concern about business is as old as trade and business itself. Commercial logging operations, for example, together with laws to protect forests, can both be traced back almost 5,000 years. In Ancient Mesopotamia, around 1700 BC, King Hammurabi introduced a code in which builders, innkeepers or farmers were put to death if their negligence caused the deaths of others or major inconvenience to local citizens. In Ancient Rome, senators grumbled about the failure of businesses to contribute sufficient taxes to fund their military campaigns, while in 1622 disgruntled shareholders in the Dutch East India Company started issuing pamphlets complaining about management secrecy and 'self enrichment' (BRASS Centre, 2007).

With the advent of industrialisation, the impacts of business on society and the environment assumed an entirely new dimension. The 'corporate paternalists' of the late nineteenth and early twentieth centuries used some of their wealth to support the philanthropic ventures mentioned previously, and by the 1920s discussions about the social responsibilities of business had evolved into what we can recognise as the beginnings of the 'modern' CSR movement. In 1929, the Dean of Harvard Business School, Wallace B. Donham, commented in an address delivered at North Western University:

Business started long centuries before the dawn of history, but business as we now know it is new – new in its broadening scope, new in its social significance. Business has not learned how to handle these changes, nor does it recognise the magnitude of its responsibilities for the future of civilisation (Donham, 1929).

Over eighty years later, these words ring just as true. Although today we face some novel concerns about the role of business in society, concerns about localised environmental impacts gradually evolving into concern about the global environment, from internet 'spam' to genetically modified foods, many of the issues under discussion are not very different to those being raised in the 1920s. There is a danger that social and environmental concern about business is an issue which, like sex, every new generation thinks it has discovered (BRASS Centre, 2007).

In addition to Friedman's statement that social responsibility in business is to increase profits, Charles Handy, rated among the most influential living management thinkers (Thinkers 50, 2009), makes a convincing and logical argument for a business to go beyond the goals of maximising profit and satisfying shareholders:

The purpose of a business is not to make a profit, full stop. It is to make a profit so that the business can do something more or better. That 'something' becomes the real justification for the business. It is a moral issue. To mistake the means for the end is to be turned in on oneself, which Saint Augustine called one of the greatest sins. It is salutary to ask about any organization, 'If it did not exist, would we invent it?' 'Only if it could do something better or more useful than anyone else' would have to be the answer, and profit would be the means to that larger end (Handy, 2002).

Doing something better whilst making a profit can establish a business brand or identity and, according to the University of Miami's Guide to Corporate Responsibility (University of Miami, 2003), a good brand is one of the key focal points of corporate success. Companies try to establish popular brands in consumers' minds because it increases leverage, which is directly reflected in sales and revenue. All aspects of a company's operations today feed into helping build the corporate brand. Most crucial is how that brand is perceived by all stakeholders. A good brand or corporate reputation can be difficult to achieve and easy to lose. The UK rail sector, after a series of accidents, began to engage with CSR in an attempt to avoid further bad publicity.

According to Michael Hopkins, Director of MHC International, a social enterprise that provides research, education and advisory services in CSR:

CSR is becoming a – if not the – core of business activity. It is fast becoming acknowledged that a strategic stakeholder model of engagement with the business environment means that the potential for avoiding disasters and increasing success and innovation can be increased. CSR is obviously not a panacea for all ills, but more and more companies are seeing that it can enhance their competitive advantage (Hopkins, 2009).

Enhancing corporate reputation leading to gaining a competitive advantage was particularly relevant in the contract-driven UK rail sector.

1.2 Recent developments of CSR in the UK rail sector

Network Rail's 2011 Corporate Responsibility Report states it is committed to the pursuit of economic, social and environmental sustainability. Its Corporate Responsibility Group (CRG) provides a strategic steer on emerging sustainability and corporate responsibility issues within the business. CRG is chaired by David Higgins, Chief Executive, and includes a combination of senior team members and representatives from across the Company. In 2010/11, the group met three times (a further three scheduled meetings were cancelled). Items on the agenda included diversity, sustainable procurement, utilities management and wider sustainability policy. The remit of CRG is to provide direction on: the policy, strategy and objectives necessary to deliver the Company's sustainability goals across economic, social and environmental areas; measurable targets for sustainability and the specific activities and initiatives to deliver these and a monitoring system for the progress and success of these activities (Network Rail, 2011).

The train manufacturer Bombardier published its 2011 CSR Report, entitled *All Aboard*, presenting the Company's CSR activities over the past year. It represents the fifth annual CSR Report Bombardier has published. In the report Pierre Beaudoin, President and Chief Executive Officer said:

While 2011 marked the fifth year of CSR reporting at Bombardier, we've always engaged in best CSR practices as part of our daily activities (Bombardier, 2011).

In addition to its 2011 CSR Report, Bombardier's dedicated website has been updated, completing its CSR reporting and featuring the latest information on performance. Bombardier's 2011 CSR Report, in conjunction with its website, has been developed in accordance with GRI standards of reporting and self-declares its report to GRI. Highlights, it says, from 2011 include: implementing the Global Talent Roadmap, investing in the ECO4 rail technologies, the Design for Environment programme, the Bombardier Green Fund, the Bombardier 3E approach: Education, Environment and Entrepreneurship, Sustainable Asset Management's (SAM) Corporate Sustainability Assessment and listing on both the Dow Jones Sustainability North America and World Indexes (Bombardier, 2011). This is an example of two companies in the UK rail sector developing CSR with varying levels of implementation from the Bombardier example appearing to be well embedded for over five years to Network Rail's recently formed Corporate Responsibility Group.

1.3 Comparison of CSR literature from UK rail and selected transport sectors

As a result of the limited specific CSR literature available for the UK rail industry, the literature review relies on what is available, in most cases from company reports and policy statements.

Many company CSR statements claim commitment to health, safety and environmental management, as well as to social and community issues. Analysis of these claims will reveal whether they are justified and can be verified. Comparisons with CSR policy statements are made in Table 1.3.1 from a selection of companies and include key phrases that are repeated, together with the method used to achieve compliance. Words and phrases in *italic* indicate common, recurring themes or patterns.

Table 1.3.1 Example of company CSR statements and assurance.

Company	Positive Statements	Negative Statements	3rd party assurance
Jarvis plc. Source: Annual Report and web site (Jarvis, 2009)	<i>Accountable, Shareholder value, operate transparently, high standard of corporate responsibility. Ethical, lawful, honest. Diverse, committed, and well-trained workforce, rights of employees. Partnerships, suppliers and subcontractors. Communities. Safety. Continuous improvement. Innovation, risk management.</i>	Breaches of policy, significant shortfalls in standards. Downsize operations necessitated the loss of jobs. Works can cause short-term periods of disruption. The Accident Frequency Rate (AFR) rose during the year. Placed in administration March 2010.	Lloyds Register Quality Assurance
Amey Rail Ltd. Source: web site (Amey, 2009)	<i>Sustainable development, social, environmental impacts. Corporate management. Benefit to stakeholders. Integrity. The interests of customers, society and environment. Corporate accountability, transparent, responsive to stakeholders, clients and partnerships.</i>	Data capture efficiencies clarified the 2007 assumptions, leading to an increase in the carbon footprint.	British Standard Institute (BSI)
Balfour Beatty Source: web site (Balfour Beatty, 2008)	<i>Stakeholder groups and responsibilities to society and communities. Risk-management. Corporate principles. Safety is top of our agenda. Sustainability. Key performance indicators for corporate responsibility. The scope and depth of our reporting continues to increase.</i>	Settlement of £2.25m with the Serious Fraud Office. Appointed the Global Infrastructure Anti-Corruption Centre (GIACC) to monitor and report on our anti-corruption practices. Co-operating with the Office of Fair Trading investigating the tender activities across construction sector. Death of eight workers across our sites in 2008.	External independent assurance by Balfour Beatty stakeholders.
Network Rail Source: web site (Network Rail, 2009)	<i>Rail users, customers, people, environment, communities. A safe railway. Manage our environmental and community impacts. Corporate responsibility and sustainability. Social, economic and environmental commitments. Stakeholders. Responsible, Determination, Respect, Teamwork and Pride.</i>	Three workforce fatalities in 2008/09. Trespass and vandalism cost £2,000 per incident. 3,400 incidents of misuse at level crossings. Fourteen people lost their lives at level crossings. Misuse at level crossings caused 55 days delays, costing £1.8m. Loss of fuel from trains estimated loss of 3,000 litres of diesel.	Bureau Veritas UK
AMEC plc Source: Amec plc annual sustainability performance report 2008	<i>Responsible, shareholders. Corporate governance. Sustainable business. Economic, social and environmental benefits. Relationships with customers. Continuous performance. Respect for human rights and laws. Health and safety management. Reliable, trustworthy and fair. Abstaining from corruption. Local, national and international communities. Openness and transparency.</i>	Prosecuted and fined £10,000 plus costs for a breach of section three of Health and Safety at Work Act 1974. Prosecuted and fined £150,000 plus costs for a breach of section two of the Health and Safety at Work Act 1974.	Member of the Global Reporting Initiative and Dow Jones Sustainability Indexes 2008/09
Serco Source: web site (Serco, 2009)	<i>Safety, people, the community and the environment. Corporate governance and compliance with statutory and regulatory requirements. Principles of integrity and business ethics. Socially responsible. Corporate Social Responsibility. Customers, staff, local communities. Sustaining the environment.</i>	Derailment Virgin train at Grayrigg. Northern and Merseyrail franchises to establish if also a concern, work with Network Rail to resolve. Serco to update its strategic safety training for senior managers.	BSI
Taylor Woodrow Source: web site (Taylor Wimpey, 2008, Vinci Sept. 2008)	<i>Legal conformance. Sustainability. Economic. Environmental. Social. Reporting on our performance. Ethics, Diversity, Health & Safety, Community, Donations, Human Rights, Grievance, Whistle-blowing, Environmental, & Biodiversity Policies.</i>	Top 20 critical HSE measures that have to be adopted on all sites. Death of two members of the public in a traffic accident.	Internal monitoring and by Insight Investment part of HBOS, also Dow Jones ratings.
Carillion Source: web site (Carillion, 2008)	<i>Sustainability helps mitigate and manage risks. Recruit, develop and retain excellent people. Offering customers more sustainable solutions. Health and safety of our people and everyone who works with us or is affected by our operations is paramount. Health and safety performance towards Target Zero. Manage environmental risk and reduce our carbon footprint and waste sent to landfill.</i>	AFR remained at 0.14 reportable accidents per 100,000 man hours. Total number of reportable accidents increasing by 30%. In 2008 there were three fatal accidents involving subcontractors' employees working on Carillion project sites. Six prosecutions of Carillion by the Health and Safety Executive.	Business in the Community (BiTC).
Arriva Source: web site (Arriva, 2009)	<i>Safety is our number one concern. Environmental policy. Legal requirements and industry best practice. Employees are key to our success. Creating an environment where everyone has the opportunity to learn and develop. Age, education, gender, race and culture. Communities, charitable groups.</i>	Operational emissions were estimated at 1,049,998 tonnes of CO ₂ , an increase in absolute emissions of 3,310 tonnes. Train fleet emissions contribute 16 per cent to the total.	Member of BiTC
British Airways	<i>Accountable to shareholders for good corporate governance. Reduce the noise of our</i>	Exposed to a number of risks, for example changes in governmental regulation, acts of	London Benchmarking

Source: web site (British Airways, 2008/09)	<i>activities. Minimise waste, reduce disposal to landfill and increase reuse and recycling. Manage our waste responsibly. Long-term commitment to address climate change.</i>	terrorism, pandemics and the availability of funding can be mitigated to a certain degree but remain outside of our control	Group (LBG) and the Business in the Community (BITC) 15 Percent Club
Carnival Corporation & PLC Source: web site (Carnival Corporation, 2008)	<i>Governance policies, shareholder and other stakeholder interests. Obtaining and retaining the trust of investors. Respect from other key stakeholders and interested parties, including employees, guests, suppliers, communities, government officials and the public at large.</i>	55 number of oil, fuel or chemical spills in 2008, 2293 litres.	Global Environmental Management Initiative
Stagecoach Group Source: web site (Stagecoach Group, 2009)	<i>Stakeholders. Socially responsible, increasingly positive impact on society and the environment.</i>	Risks include political/economic, supply interruption, regulatory changes, foreign exchange, materials/ consumables, pensions, environmental, industrial action, litigation, terrorism, acquisitions, regulatory compliance, and failure of internal controls.	Co-operative Asset Management.

From Table 1.3.1, it can be seen that the companies in this sample have very similar CSR statements that include accountability, transparency, risk management and ethical responsibilities to stakeholders and the community. They also include negative statements, and some identify potential business risks. However, justification and endorsement of these statements vary greatly, from assurance by external professional bodies such as Lloyds Register Quality Assurance (LRQA) and British Standards Institution (BSI) with independent, impartial third party evaluation and judgement, to internal statements from the company concerned, which may only be ‘wish lists’. Companies trying to find new ways to win the trust of their stakeholders are turning to independent assurance. In recent years, the term ‘assurance’ has replaced that of ‘verification’ in a growing number of reports, driven in part by the perception that verification implies an achievement of truth that is simply not possible in these types of report. The aim of this is to provide stakeholders with independent and impartial assurance, and the knowledge that they can trust the report as a fair and accurate representation of the company (CSR Network, 2003). However, some companies within the UK rail industry have conflicting statements within their respective CSR policies and principles, the differences between which are highlighted and compared in the next section. For example, AMEC plc’s annual sustainability performance report 2008 (AMEC, 2008) included the following:

The board is responsible to the shareholders for the management of the company and for the protection of its assets. It has systems designed to manage, rather than eliminate, the risk of failure to achieve business objectives and consequently can provide reasonable, but not absolute, assurance against material misstatement or loss (AMEC, 2008).

AMEC, the report said, were committed to corporate governance and environmental improvements but also recognised their responsibility to achieve business objectives for their shareholders, which could lead to possible grounds for conflict. Evidence to prove or disprove this was to compare the number of health and safety and environmental prosecutions or incidents against the continuing increase in share value. AMEC's 2008 report states: 'AMEC was prosecuted and fined £10,000 plus costs after pleading guilty to a breach of section three of the HASAWA. They were also prosecuted and fined £150,000 plus costs after pleading guilty to a breach of section two of the HASAWA'. Two improvement notices were issued but no environmental prosecutions were recorded for 2008. However, a 15% increase in dividends per share was recorded for 2008 (AMEC, 2008).

Amey Rail's 2008 CSR statement (Amey, 2009) included:

Amey's services affect the lives of many people and the wider environment. We are never complacent – but are proud of achievements in a large, complex and geographically diverse organisation. Data reliability and robustness is generally traceable and verifiable for those areas where data collection and collation are more mature, e.g. health and safety data and human resources data. Data reported for environmental metrics, community involvement, employment rights and ethics and human rights require focus in 2009 (Amey, 2009).

Amey recognised there were some deficiencies in its environmental, ethical, community and human rights data. Nevertheless, according to its policy statement (Amey, 2009), they took pride in their achievements in sustainable development, high individual and corporate standards, values and policies, ethical behaviour, good corporate citizenship and developing and rewarding employees. However, according to the quotation above, there may be a weakness in CSR management, particularly in data collection and collation.

Arriva's 2009 CSR statement (Arriva, 2009) included:

The values underpinning the Arriva brand are focused on the interests of the group's various stakeholders. Arriva's environmental policy is in place across all of the group's operations. It complies with all legal requirements and incorporates industry best practice (Arriva, 2009).

Arriva's values were focused on their stakeholders, but were also committed to CSR. Again, evidence to suggest grounds for conflict that included an increase in environmental incidents were not considered a problem if the share value continued to increase, or at the very least did not fall.

Jarvis's 2009 CSR statement (Jarvis, 2009) included:

A successful company must have built into its culture a desire to create sustainable relationships with all its stakeholders. A properly structured approach to corporate and environmental responsibilities is fundamental to Jarvis' business plan and long-term strategy. Jarvis aims to set the pace in its approach across the full spectrum of corporate responsibility: from health, safety and environmental factors, to social and community issues (Jarvis plc, 2009)

According to the statement above, Jarvis were trying to balance good CSR practices against commercial interests. This resulted in grounds for conflict when commercial interests were given a higher priority than good CSR practices. One example of this was during 2004, when Jarvis put its CSR development on hold and concerted all of its efforts into saving the company (Jarvis, 2005). However, the company never fully recovered from the Potters Bar rail crash and cutbacks in rail engineering contracts let by Network Rail, and in March 2010 Jarvis plc and a number of its subsidiaries were placed into administration and its shares suspended from trading (Jarvis, 2010).

Balfour Beatty's 2008 Corporate Sustainability statement (Balfour Beatty, 2008) included

Balfour Beatty has a firm and explicit commitment to fulfilling its responsibilities to stakeholders. The long-term success of our business depends on us fulfilling these

responsibilities, while continuing to deliver profit through applying our expertise (Balfour Beatty, 2008).

Balfour Beatty tried to balance financial performance against a good corporate governance framework. One example of conflict with this statement occurred as it tried to protect the company image and share value when it was fined for the Hatfield rail catastrophe (Balfour Beatty, 2005).

Network Rail's 2009 corporate responsibility statement (Network Rail, 2009) included:

Network Rail has achieved truly outstanding results over the last seven years, and corporate responsibility and sustainability have been essential in accomplishing this. For us, it's about achieving the balance between our social, economic and environmental commitments, each and every day in everything we do. It's about meeting the needs of our many and diverse stakeholders (Network Rail, 2009).

Network Rail was and still is a not-for-profit organisation; it maintains it is committed to developing relationships with the community and striving to be good neighbours. It seeks to be inclusive by working with local people and interest groups. It has dedicated community relations staff in each of its regions to support and promote what it calls these essential relationships. However, with such a large organisation (seven territories or regions for England, Scotland and Wales) (Network Rail, 2009a), it may find difficulty in operating a consistent policy across all aspects of its operations. Furthermore, because it is a not-for-profit organisation it does not have the same pressure from stakeholders to improve its CSR management in order to be perceived a better company, resulting in increased profits.

Serco's 2009 CSR policy statement (Serco, 2009) included:

Our values are founded on the belief that to remain successful over the long term we must deal fairly, openly and honestly with our key stakeholders – employees, customers, investors and the wider community. To sustain our values, and bring them to life in the way we do business, we have developed a robust corporate responsibility model and strategy.

These feed into our strategies on health and safety, people, community and the environment, ensuring a seamless and consistent approach (Serco, 2009).

Serco consisted of over 600 separate contracts, each run with a high degree of autonomy, as if a business in its own right. This number of contracts can cause difficulty in operating a consistent policy across all aspects of its operations.

Taylor Wimpey's 2009 CSR policy statement (Taylor Wimpey, 2009) included:

Corporate responsibility (CR) is about managing our business to make positive social, environmental and economic contributions to the regions in which we operate. It is a fundamental part of good corporate governance and makes an important contribution to our business success. CR helps us to manage our business effectively, reduce business risk and identify opportunities for development. (Taylor Wimpey, 2009).

Taylor Wimpey (formerly Taylor Woodrow) said it makes a profit in order that it can continue to operate and employ people. It balances its different business risks and CSR priorities within the context of the business environment in which it operates. Each policy is overseen by a designated director. However, with ten separate policies and procedures and different CSR priorities it can be, once again, difficult to achieve a uniform level of conformity.

Carillion's 2008 Sustainability statement (Carillion, 2008) included:

Achieving our mission of making tomorrow a better place requires us to adopt high standards of corporate governance and responsibility in line with our values (Carillion, 2008).

Carillion as one of the UK's largest business and construction companies may, because of its size, have difficulty in achieving a consistent level of CSR across all aspects of the company.

To better understand the relationship between CSR and business it was thought that the research required a broader view; and although the research concentrates on UK rail comparing this with

other not dissimilar industries would help in this understanding. To this end, the next three statements are still from the wider transportation sector but from the air, sea and bus industries.

British Airways' 2008/9 Environment statement – Leading our Industry – included:

We have and will continue to lead our industry through many activities including:

- *Supporting the inclusion of aviation in well designed emissions trading systems.*
- *Implementing voluntary carbon offset schemes for airline passengers.*
- *Upgrading aircraft fleets to reduce noise and emissions.*
- *Working with manufacturers to develop new environmental technologies* (British Airways, 2009)

British Airways and other airlines had the conflict of increasing business revenue through increasing the number of flights/passenger miles and yet reducing its environmental impact from noise and air emissions. Heathrow's Terminal 5 and the proposal for a third runway may also be regarded as being in conflict with British Airways' environmental policy.

Carnival Corporation's Environmental Report, 2008 included:

We are committed to governance policies and practices that ensure shareholder and other stakeholder interests are represented in a thoughtful and independent manner. Sound principles of corporate governance are critical to obtaining and retaining the trust of investors (Carnival, 2008).

The Carnival Corporation is a global cruise company and one of the largest holiday companies in the world. Its portfolio of cruise brands includes P&O Cruises, Cunard Line in the UK; AIDA in Germany; Costa Cruises in southern Europe; Iberocruceros in Spain; and P&O Cruises in Australia. Again the difficulty was maintaining investor and stakeholder trust by being profitable, and at the same time appearing to be protecting the environment.

Stagecoach Group's CSR Report 2009 included:

The Board considers acceptance of appropriate risks to be an integral part of business and unacceptable levels of risk are avoided or reduced and, in some cases, transferred to third parties. The Directors acknowledge their responsibility for establishing and maintaining the Group's system of internal control, and for reviewing its effectiveness (Stagecoach, 2009).

Stagecoach UK Bus was part of the Stagecoach Group and one of the largest bus operators in the UK, operating express and local bus services across the country. It connects communities in over 100 towns and cities in the UK, running a fleet of around 7,000 buses and coaches that is one of the largest in the country. However, from the quotation above, the acceptance of some risks, it says, may be unavoidable. The argument here is that risks should be reduced to the lowest level and not transferred to a third party (see HSE, 2001).

Companies want to win the trust of stakeholders and provide them with a report they can believe in as a fair and accurate representation of the company. However, the companies discussed earlier have conflicting statements within their respective CSR policies, the worst case scenario being when a company says one thing and does another. For example, Network Rail state in their 2009 report:

A safe railway has been our number one priority' and that they want to 'deliver a safe, reliable and efficient railway (Network Rail, 2009).

However, they are responsible for a number situations leading to fatal accidents on the UK rail network including pedestrian level crossings that represent significant CSR issues, as discussed in the introduction. Table 1.3.2 shows the financial loss from unexpected UK rail sector catastrophes, for example, the £4m fine imposed on Thames Trains for the Ladbroke Grove crash and the cost to Jarvis £300m and Network Rail £4m for Potters Bar (Rail-reg, 2011).

Table 1.3.2 Selected UK rail sector companies that suffered financial loss from unexpected catastrophes. Source: Selected case studies (adapted from Knight & Pretty).

Date	Company	Catastrophe	Type of catastrophe	Financial estimate £
05/10/99	Thames Trains	Ladbroke Grove	Signal Passed at Danger	4m
17/10/00	Balfour Beatty	Hatfield	Rail defect	20m
10/05/02	Jarvis (& Network Rail)	Potters Bar	Points failure	Jarvis 300m, Network Rail 4m
15/02/04	Carillion	Tebay	Defective equipment	Not disclosed

Higher speeds and quieter trains running over old infrastructure routes produce differing CSR considerations. These include significant problems from level crossings on existing high speed routes with User Worked Crossings (UWC) and Footpath Level Crossings (FLC). The following Table 1.3.3 shows the number of fatalities on UK rail crossings.

Table 1.3.3 Number of fatalities at UK rail crossings 2002 to 2010. Source: adapted from RSSB 2009/10 Annual Safety Performance Report (RSSB, 2010a).

Year	Road Vehicle fatalities	Pedestrian fatalities
2002	3	9
2003	2	5
2004	5	11
2005	2	4
2006	3	8
2007	3	7
2008	0	10
2009	2	10
2010	5	7

This raises the question who takes corporate responsible for a fatality at a UWC or FLC, the user, Network Rail or the contracted maintainer responsible for the UWC and FLC? A recent report from the Office of the Rail Regulator (ORR, 2011) criticised the UK rail sector for not addressing existing safety risks and CSR issues. The report makes specific reference to level crossings: ‘The comprehensive review of how the company manages risks at level crossings will play a key part in tackling level crossing risk - a stubbornly large proportion of overall system risk. That review was triggered by ORR’s intervention on various aspects of level crossing management’ (ORR, 2011).

The ORR inspection work found continuing weaknesses with the maintenance of level crossings.

They found issues with vegetation, road surfaces, signage and communication with regular users of user-worked crossings, some of which merited enforcement action. David Higgins Network Rail Chief Executive is quoted in Network Rail's Corporate Responsibility Report July 2011:

Our corporate strategy needs to permeate through the Company, with greater transparency, clear responsibility and accountability. Our Corporate Responsibility Group (CRG) provides a strategic steer on emerging sustainability and corporate responsibility issues within the business (Network Rail, 2011).

In November 2011 the ORR announced that it would prosecute Network Rail over the deaths of two teenage girls on the Elsenham station crossing after reopening its investigation into the accident following the belated exposure of safety documents. A memorandum written in May 2001, called the wicket-gate pedestrian crossing 'undesirably risky'. The memo, by John Hudd, East Anglia level crossings manager for Railtrack, reads:

I have quite serious reservations about the arrangements which are in place for pedestrians. The combination of free pedestrian wickets adjacent to locked vehicular gates with a crossing keeper on hand is not very comprehensible to the layman (or me!). What makes the whole thing, I believe, undesirably risky is the large numbers of users (which includes a lot of schoolchildren). The sighting to trains in either direction is very poor and the risks of disaster are real (Telegraph, 2012).

In March 2012 Network Rail was fined £1m for the Elsenham double fatality (Samuel, 2012) and ordered to pay costs of £60,015 for breaches of health and safety laws at Elsenham station footpath crossing in December 2005. The sentencing at Chelmsford Crown Court marks the end of the rail regulator's criminal prosecution against Network Rail for the deaths of Olivia Bazlinton and Charlotte Thompson, aged 14 and 13, who were struck by a train at the Essex footpath crossing in December 2005. Network Rail pleaded guilty to two charges under The Management of Health and Safety at Work Regulations 1999 and to one charge under the Health and Safety at Work etc. Act 1974. Horrific incidents such as this have an impact on public perception of organisations and

Chapter 1
influence stakeholder value as discussed. However there is a dilemma about where perceived culpability lies and consequently which organisation suffers.

1.4 Current definitions of CSR

Alexander Dahlsrud, PhD fellow Norwegian University of Science and Technology, in his paper ‘How Corporate Social Responsibility is Defined: an Analysis of 37 Definitions’ (Dahlsrud, 2006) states that there are many definitions of CSR. Despite numerous efforts to bring about a clear and unbiased definition of CSR, there was still some confusion as to how CSR should be defined. In Dahlsrud’s paper five dimensions of CSR were developed through a content analysis of existing CSR definitions. Frequency counts were used to analyse how often these dimensions were invoked. The analysis shows that the existing definitions were to a large degree congruent. Thus it was concluded that the confusion is not so much about how CSR is defined, as about how CSR is socially constructed in a specific context. Table 1.4.1 adapted from Dahlsrud displays the 37 key definitions and the source of the definitions.

Table 1.4.1 Definitions of CSR. Source: Dahlsrud, 2006.

Definition	Definition Source
A concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis	Commission of the European Communities, 2001
The commitment of business to contribute to sustainable economic development, working with employees, their families, the local community and society at large to improve their quality of life	World Business Council for Sustainable Development, 1999
Corporate social responsibility is the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as the local community and society at large	World Business Council for Sustainable Development, 2000
Corporate social responsibility is essentially European a concept whereby companies decide voluntarily to contribute to a better society and a cleaner environment	Commission of the European Communities, 2001
Business decision making linked to ethical values, compliance with legal requirements and respect for people, communities and the environment	Business for Social Responsibility, 2000
Operating a business in a manner that meets or exceeds the ethical, legal, commercial and public expectations that society has of business. Social responsibility is a guiding principle for every decision made and in every area of a business	Business for Social Responsibility, 2000
Open and transparent business practices based on ethical values and respect for employees, communities and the environment, which will contribute to sustainable business success	IBLF, 2003
Corporate social responsibility is the overall relationship of the corporation with all of its stakeholders. These include customers, employees, communities, owners/investors government, suppliers and competitors. Elements of social responsibility include investment in community outreach, employee relations, creation and maintenance of employment, environmental stewardship and financial performance	Khoury et al., 1999
Corporate social responsibility is achieving commercial success in ways that honour ethical values and respect people, communities and the natural environment	Business for Social Responsibility, 2003
CSR is the concept that an enterprise is accountable for its impact on all relevant stakeholders. It is the continuing commitment by business to behave fairly and responsibly and contribute to economic development while improving the quality of life of the work force and their families as well as of the local community and society at large	Commission of the European Communities, 2003
CSR is defined as the integration of business operations and values, whereby the interests of all	CSRwire, 2003

Chapter 1

stakeholders including investors, customers, employees and the environment are reflected in the company's policies and actions	
Corporate social responsibility is concerned with treating the stakeholders of the firm ethically or in a socially responsible manner. Stakeholders exist both within a firm and outside. Consequently, behaving socially responsibly will increase the human development of stakeholders both within and outside the corporation	Hopkins, 1998
CSR is a term describing a company's obligation to be accountable to all of its stakeholders in all its operations and activities. Socially responsible companies consider the full scope of their impact on communities and the environment when making decisions, balancing the needs of stakeholders with their need to make a profit	Ethics in Action Awards, 2003
CSR is defined as the notion that corporations have an obligation to constituent groups in society other than stockholders and beyond that prescribed by law or union contract, indicating that a stake may go beyond mere ownership	Jones, 1980
CSR is concerned with treating the stakeholders of the firm ethically or in a responsible manner. 'Ethically or Socially responsible' means treating stakeholders in a manner deemed acceptable in civilized societies. Social includes economic responsibility. Stakeholders exist both within a firm and outside. The wider aim of social responsibility is to create higher and higher standards of living, while preserving the profitability of the corporation, for peoples both within and outside the corporation	Hopkins, 2003
Corporate social responsibility (CSR) is about the core behaviour of companies and the responsibility for their total impact on the societies in which they operate. CSR is not an optional add-on nor is it an act of philanthropy. A socially responsible corporation is one that runs a profitable business that takes account of all the positive and negative environmental, social and economic effects it has on society	Marsden, 2001
Actions that appear to further some social good, beyond the interests of the firm and that which is required by law	McWilliams and Siegel, 2001
At its best, CSR is defined as the responsibility of a company for the totality of its impact, with a need to embed society's values into its core operations as well as into its treatment of its social and physical environment. Responsibility is accepted as encompassing a spectrum – from the running of a profitable business to the health and safety of staff and the impact on the societies in which a company operates	Ethical Performance, 2003
Global corporate social responsibility can be defined as business practices based on ethical values and respect for workers, communities and the environment	Global Corporate Social Responsibility Project, 2003
Corporate social responsibility is about companies having responsibilities and taking actions beyond their legal obligations and economic/business aims. These wider responsibilities cover a range of areas but are frequently summed up as social and environmental – where social means society broadly defined, rather than simply social	Commission of the European Communities, 2002
Corporate social responsibility (CSR) or corporate citizenship can most simply be defined as a set of management practices that ensure the company minimizes the negative impacts of its operations on society while maximizing its positive impacts	Pinney, 2001
Corporate social responsibility is a business process wherein the institution and the individuals within are sensitive and careful about the direct and indirect effect of their work on internal and external communities, nature and the outside world	IndianNGOs.com, 2003
Socially responsible business practices strengthen corporate accountability, respecting ethical values and in the interests of all stakeholders. Responsible business practices respect and preserve the natural environment. Helping to improve the quality and opportunities of life, they empower people and invest in communities where a business operates	Business for Social Responsibility, 2003
CSR is the degree of moral obligation that may be ascribed to corporations beyond simple obedience to the laws of the state	Kilcullen and Kooistra, 1999
CSR is the voluntary assumption by companies of responsibilities beyond purely economic and legal responsibilities	Piacentini et al., 2000
Corporate social responsibility recognizes that the private sector's wider commercial interests require it to manage its impact on society and the environment in the widest sense. This requires it to establish an appropriate dialogue or partnership with relevant stakeholders, be they employees, customers, investors, suppliers or communities. CSR goes beyond legal obligations, involving voluntary, private sector-led engagement, which reflects the priorities and characteristics of each business, as well as sectoral and local factors	UK Government, 2001
CSR has been defined as a 'contract' between society and business wherein a community grants a company a license to operate and in return the matter meets certain obligations and behaves in an acceptable manner	Woodward-Clyde, 1999
An all encompassing notion, [corporate] social responsibility refers to both the way a company conducts its internal operations, including the way it treats its work force, and its impact on the world around it	Reder, 1994
CSR is about businesses and other organizations going beyond the legal obligations to manage the impact they have on the environment and society. In particular, this could include how organizations interact with their employees, suppliers, customers and the communities in which they operate, as well as the extent they attempt to protect the environment	Lea, 2002
CSR can be roughly defined as the integration of social and environmental concerns in business operations, including dealings with stakeholders	Lea, 2002
CSR can be defined as the set of practices and behaviours that firms adopt towards their labour force, towards the environment in which their operations are embedded, towards authority and towards civil society	Foran, 2001
We define corporate social responsibility broadly to be about extending the immediate interest from oneself to include one's fellow citizens and the society one is living in and is a part of today, acting with respect for the future generation and nature	Andersen, 2003
Corporate social responsibility can be defined as a principle stating that corporations should be accountable for the effects of any of their actions on their community and environment	Frederick et al., 1992
In general, corporate sustainability and CSR refer to company activities – voluntary by definition	Van Marrewijk, 2003

Chapter 1

– demonstrating the inclusion of social and environmental concerns in business operations and in interactions with stakeholders	
Companies with a CSR strategy integrate social and environmental concerns in their business operations and in their interactions with their stakeholders and demonstrate openly their triple P performances	Van Marrewijk, 2001
Corporate social responsibility is how you treat your employees and all your stakeholders and the environment	Jackson and Hawker, 2001
CSR is generally seen as the business contribution to sustainable development, which has been defined as development that meets the needs of the present without compromising the ability of future generations to meet their own needs, and is generally understood as focussing on how to achieve the integration of economic, environmental and social imperatives	Strategis, 2003

Dahlsrud maintained that the corporate world was facing the notion of CSR in all aspects of business. However, in both the corporate and the academic world there was uncertainty as to how CSR should be defined. The problem was that there was an abundance of definitions, which were, often biased toward specific interests and thus prevented the development and implementation of the concept. However, Dahlsrud argued the claimed biases were not supported by empirical evidence.

Dahlsrud viewed CSR as a social construction and, as such, it was not possible to develop an unbiased definition. However, it was possible to study the similarities and differences in between the available definitions. The definitions were categorized into five dimensions and frequency counts were used to explore how consistently these dimensions were invoked. Table 1.4.2 defines the five dimensions referred to: the stakeholder dimension; the social dimension; the economic dimension; the voluntariness dimension and the environmental dimension. The method applied by Dahlsrud consisted of three steps. First, the CSR definitions were gathered through a literature review. Second, five dimensions of CSR were identified through a content analysis of the definitions. Based on this, a coding scheme was developed and applied to obtain an overview of which definitions referred to which dimensions. Third, the frequency counts of all of the definitions referring to a specific dimension were added up to calculate the relative usage of each dimension (Dahlsrud, 2006).

Table 1.4.2 The five dimensions, how the coding scheme was applied and example phrases.

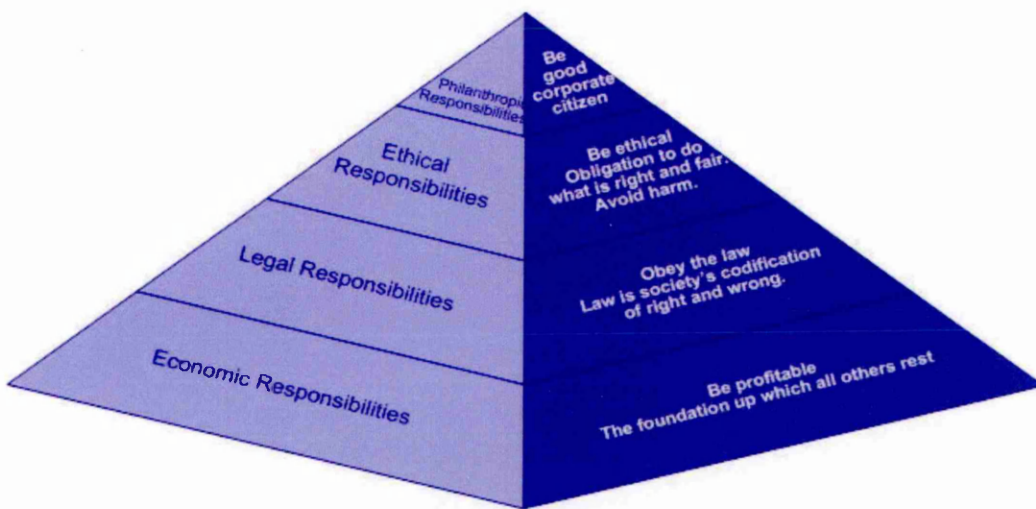
Source: Dahlsrud, 2006.

Dimensions	The definition is coded to the dimension if it refers to	Example phrases
The environmental dimension	The natural environment	'a cleaner environment' 'environmental stewardship' 'environmental concerns in business operations'
The social dimension	The relationship between business and society	'contribute to a better society' 'integrate social concerns in their business operations' 'consider the full scope of their impact on communities'
The economic dimension	Socio-economic or financial aspects, including describing CSR in terms of a business operation	'contribute to economic development' 'preserving the profitability' 'business operations'
The stakeholder dimension	Stakeholders or stakeholder groups	'interaction with their stakeholders' 'how organizations interact with their employees, suppliers, customers and communities' 'treating the stakeholders of the firm'
The voluntariness dimension	Actions not prescribed by law	'based on ethical values' 'beyond legal obligations' 'voluntary'

Some other examples of CSR definitions are consistent to Dahlsrud’s five dimensions. For example the 2010 International Standard BS ISO 26000:2010 describes social responsibility as; ‘responsibility of an organisation for the impacts of its decisions and activities on society and the environment through transparent and ethical behaviour that contributes to sustainable development, including health and the welfare of society; takes into account the expectations of stakeholders; is in compliance with applicable law and consistent with international norms of behaviour; and is integrated throughout the organisation and practiced in its relationships’ (BSI, 2010). Four of Dahlsrud’s dimensions are clearly addressed in ISO 26000, but the voluntariness dimension is not so clear.

In 2008 ‘Simply CSR’ gave a definition that CSR was a long-term approach to business that addresses the needs of communities, people and their employers. CSR provides frameworks for successful enterprise that is harmonious with its surroundings. CSR is an opportunity to generate honest, authentic good-news stories that a business and its community can be proud of. CSR must be sustainable - remaining a fundamental part of business regardless of changing fortunes (Simply CSR, 2008). Similarly Network Rail’s definition in its 2011 Corporate Responsibility Report was ‘...the pursuit of economic, social and environmental sustainability’ Network Rail, (2011).

John Meehan et al in the International Journal of Social Economics paper on 'Corporate social responsibility: the 3C-SR model' (Meehan, 2006) maintained that definitional issues regarding CSR have remained an area of deliberation from the concepts very beginnings. Early models of CSR emerged in the 1960s and typically held the 'social' aspect of CSR as referring directly to those responsibilities above and beyond economic and legal obligations (Carroll, 1979; Waddock, 2004; Matten and Crane, 2005). Thus, for many, CSR was and still is synonymous with voluntary and philanthropic acts by business organisations designed to alleviate social ills or benefit a disadvantaged group chosen by the corporation's managers. Carroll's 'pyramid of corporate social responsibility' is perhaps the most famous example of the early models.



Carroll's CSR Pyramid

Figure 1.4.1 Carroll's pyramid of corporate social responsibility. Source: Carroll, 1991.

This model's graphical representation implied a hierarchy of responsibilities moving from economic and legal through to more socially oriented ones of ethical and philanthropic responsibilities (Carroll, 1991).

1.5 A Review of current CSR strategies and practices

In November 2011 the European Commission (EC) published a package of measures to support entrepreneurship and responsible business. Most notably in relation to contributing to the EU's treaty objectives of sustainable development, the EC published a renewed EU strategy 2011-14 for Corporate Social Responsibility (EC, 2011). The strategy redefined CSR, its benefits to an

organisation and the role of different sizes and complexities of organisations in applying internal and external CSR practices. The action plan for 2011-2014 included supporting best practices and encouraging dialogue and dissemination of responsible business conduct through the supply chain, to contribute to the success of Europe's 2020 Growth Strategy (Cahill, 2011). The new policy put forward an action agenda for the period 2011-2014 covering eight areas:

- Enhancing the visibility of CSR and disseminating good practices: this includes the creation of a European award, and the establishment of sector-based platforms for enterprises and stakeholders to make commitments and jointly monitor progress.
- Improving and tracking levels of trust in business: the Commission will launch a public debate on the role and potential of enterprises, and organise surveys on citizen trust in business.
- Improving self- and co-regulation processes: the Commission proposes to develop a short protocol to guide the development of future self- and co-regulation initiatives.
- Enhancing market reward for CSR: this means leveraging EU policies in the fields of consumption, investment and public procurement in order to promote market reward for responsible business conduct.
- Improving company disclosure of social and environmental information: the new policy confirms the Commission's intention to bring forward a new legislative proposal on this issue.
- Further integrating CSR into education, training and research: the Commission will provide further support for education and training in the field of CSR, and explore opportunities for funding more research.
- Emphasising the importance of national and sub-national CSR policies: the Commission invites EU Member States to present or update their own plans for the promotion of CSR by mid 2012.
- Better aligning European and global approaches to CSR, including the OECD Guidelines for Multinational Enterprises, the 10 principles of the UN Global Compact, the UN Guiding Principles on Business and Human Rights, the ILO Tri-partite Declaration of

This clearly demonstrates the EC's European and Global commitment to CSR and is further endorsed by the UN. The United Nations Environment Programme Division of Technology, Industry, and Economics (UNEP DTIE) states it works closely with partners from business and industry to advance its mission and activities in the field of technology, industry and economics. In its work in CSR, also referred to as corporate environmental and social responsibility (CESR), it underlines the environmental pillar in the triple bottom line approach and uses environment as an entry point when addressing broader sustainability issues. It views corporate citizenship or CSR as a values-based way of conducting business in a manner that advances sustainable development. It seeks positive impact between business operations and society, aware of their close interrelation. It also shows an awareness that companies, like citizens, have basic rights and duties wherever they operate. The challenge, it said is to display its practical application in a local and sector-specific context, moving from strategy to implementation (UNEP DTIE, 2011).

Also committed to furthering the principles of sustainable development Two Tomorrows state it is a values-based company and in carrying out assurance engagements it will adhere to five principles:

- Integrity.
- Objectivity and independence.
- Professional behaviour.
- Confidentiality.
- Respect (Two Tomorrows, 2012).

KPMG maintain sustainability is embedded in the KPMG values and recognise it has the scale, influence and business knowledge to make a significant and positive contribution to the issues that affect its communities and environments. Its CSR website claims it had a clear vision of the role of KPMG. It should become fully involved in finding sustainable solutions to global and local issues,

working alongside government, civil society groups and national and international agencies. This vision is in line with its values - making a commitment to the communities in which it works. Its sustainability agenda touches every part of the business strategy and the responsibility of being a good corporate citizen is taken extremely seriously. This approach is built on a strong heritage, a dedicated team of practitioners, and a sub-group of the UK Board working with the business to continually develop and enhance its approach to corporate sustainability (KPMG, 2012).

Business Link explains that business doesn't exist in isolation nor is it simply a way of making money. Employees depend on the business. Customers, suppliers and the local community are all affected by the business and what it does. CSR is about understanding the business' impact on the wider world and considering how to use this impact in a positive way. CSR can also be good for the bottom line. It means taking a responsible attitude, going beyond the minimum legal requirements and following straightforward principles that apply whatever the size of the business (Business Link, 2012).

In the Foreword of 'The Business Case for being a Responsible Business' (BITC, 2012) Business in the Community (BITC), in collaboration with the Doughty Centre for Corporate Responsibility, state it stands for responsible business. It is a business-led charity with a growing membership of 850 companies, from large multinational household names to small local businesses and public sector organisations. It advises supports and challenges members to create a sustainable future for people and the planet and to improve business performance.

Marcy Murningham, Senior Research Fellow writing for Accountability in 2006, maintains that the massive transformation in public and shareholder expectations of corporate governance and accountability, particularly affecting environmental, social, and governance performance, challenges prevailing assumptions about fiduciary obligations. By helping to assure better participation and representation of internal and external stakeholders, leaders can leverage their fiduciary duty beyond the bottom line to create more resilient, transformative organizations. A more 'unified' and collaborative model of corporate governance that embraces corporate

responsibility and sustainability helps boards and executives think about how best to respond to the changing expectations and demands of the marketplace. It also reinvigorates the fiduciary ethic, more suitable to a 21st century marked by turbulence and change (Murningham, 2006).

The examples shown in this chapter are just a few of the many organisations committed to furthering the principles of CSR and sustainable development and help companies implement CSR systems. Ranging from the EC's renewed 'EU strategy 2011-14 for Corporate Social Responsibility', IEMA's 'Corporate Social Responsibility: A guide to good practice', to UNEP DTIE working with stakeholders in improving understanding of corporate responsibility issues on the global sustainable development agenda.

1.6 For and against – the CSR debate

In order to inform the debate on the relative benefits of CSR it is necessary to assess and compare each part. Health and Safety, Quality and Environmental (HSQE) management systems, sustainability and CSR are familiar terms in industry. EMS, QMS, SMS (Safety Management System) and CSR appear on most corporate agendas and are often used synonymously. In fact, though, they are quite different and not always fully understood. For example, EMS is defined by the British Standards Institution as:

Achieving and demonstrating sound environmental performance by controlling the impacts of activities, products and services on the environment, consistent with an environmental policy and objectives (BSI, 2004).

Sustainability is defined by the British Standards Institution as:

An enduring and balanced approach to economic activity, environmental responsibility and social progress (BSI, 2007).

The World Business Council for Sustainable Development's definition of CSR is:

The continuing commitment by business to behave ethically, and contribute to economic development, while improving the quality of life of the workforce and their families, as well as of the local community and society at large (WBCSD, 2000).

CSR is one of three elements contributing to corporate responsibility, the other two being corporate financial responsibility and corporate environmental responsibility. Corporate responsibility in this context has the subheading 'sustainable development'. Therefore, it can be argued that corporate responsibility is equivalent to the triple bottom line or ESG (Environmental, Social, and Governance) concepts, which are also popular. This research combines the concept of HSQE management, sustainability and CSR, thereby supporting the UN statement following the Earth Summit in 1997 that:

Economic development, social development, and environmental protection are interdependent and mutually reinforcing components of sustainable development (UN, 1997).

The potential value of substantiated CSR credentials is huge, and its benefits extend beyond cost savings, increased efficiency and securing financial value. Sandra Waddock, Director of the Boston College Centre for Corporate Accountability, suggests there is a relationship between CSR management and quality management:

Although acceptance by managers of quality as a business was not easy to achieve, failure to pay attention to quality now can quickly contribute to business failure. We argue that a similar evolution is occurring with respect to a company's management of labour, human rights, supplier, customer, ecological and related stakeholder practices and that companies are responding by developing responsibility management systems comparable in many ways to quality management systems already in place (Waddock 2003).

This chapter will further Waddock's argument regarding developing responsibility management systems quoted above and suggest that there is an even closer relationship between environmental

management and CSR in the UK rail sector. This relationship is strengthened by the definition that CSR is contributing to corporate responsibility, corporate financial responsibility and corporate environmental responsibility and is equivalent to the triple bottom line or environmental, social and governance concepts.

The sixth MHC International Ltd's annual CSR and Sustainability Update group meeting (MHCi, 2012), attended by CSR practitioners and commentators, looked at the prospects for CSR in the coming year in the context of changing trends and themes in the corporate, social, political and economic spheres. The summary of prospects for CSR in 2012 included the continuing decline of trust in brands, companies and sectors. This, the group decided, should however be seen in a positive light as it creates opportunities for more open, honest and direct debate between consumers and companies, governments and other stakeholders about the key issues and future for certain sectors. These opportunities will include greater competitive advantage for those companies that do manage to build 'trust relationships' with consumers and other stakeholders. Trust in governments has also declined. This has led to greater scepticism about the ability and inclination of governments to tackle key sustainability and other issues decisively and comprehensively, as indicated by widespread protests in the crisis-hit Eurozone and in opinion polls about government's ability to deliver on jobs, growth and climate change. Against such a background the Rio+20 Earth Summit arguably holds little promise for delivering significant change. CSR is going through another period of redefining and broadening. A few years ago it looked as if CSR would become more tightly defined around 'corporate responsibility', getting the basics of company responsibility right and 'sustainability', focusing on the key long term material issues for a company and its stakeholders. But the extent of the financial crisis and its social impacts mean that there is renewed emphasis on financial and government responsibility, and an increased scope for responsible capitalism. The terms of the CSR debate have also been given an impetus by Porter and Kramer's Harvard Business Review article (Porter & Kramer, 2011) on 'Shared Value' and wider discussions about what some have called 'sustainable capitalism', often used in contrast to 'casino capitalism'. Although this debate is in flux, and covers many topics, the need to rethink financial markets and

the link between executive remuneration and performance are common themes. The demand for greater transparency, disclosure and non-financial reporting continues to increase (MHCi, 2012).

There have been several very important developments in disclosure and non-financial reporting, for example, ISO 26000 demonstrating the growing interest in integrated reporting; the development of GRI4 (GRI's next generation of guidelines); the revised OECD multi-national guidelines and the EU's push for a wider social responsibility concept and more social and environmental reporting in its 2011-2014 CSR strategy. The number of companies reporting on sustainability is also increasing: KPMG research (KPMG, 2011) shows ninety five per cent of the world's 250 biggest companies now report on their sustainability performance, up from eighty per cent in 2008. Some participants did however ask whether too much reliance is being placed on reporting as a tool to drive and monitor corporate change, given that one of the lessons of the financial crisis is that accounts (commercial and governmental) cannot be trusted to give an accurate picture of, or to be, a good guide to future developments. Social media has shown its ability to drive major political change but its potential as an agent of change for sustainability and in driving company change is yet to be established. While social media has clearly played a major role in the Arab Spring and in political protests in the Eurozone, and has proved invaluable to many companies in building relationships with consumers, it is not at all clear how important it has been, nor can be, in putting pressure on companies to change their practices from a CSR perspective. The combination of a vibrant civil society, dynamic mainstream media, and a critical populace still seems to be one of the best ways of keeping companies alert and responsive to changing social trends and demands. However according to Hopkins, social media could perhaps play a role in coordinating, and thus increasing, shareholder activism (Hopkins, 2012).

In 2007 the Institute of Environmental Management and Assessment (IEMA) published its *Corporate Social Responsibility: A guide to good practice* (IEMA, 2007) on which Catherine Holmes Communications Manager for Airbus UK had this to say 'CSR can be a daunting brief to take on. It potentially touches so many aspects of what an organisation does, from environmental management to labour standards and community relations to ethical sourcing. If you've been given

responsibility for CSR, it will probably take you well outside your natural areas of expertise. That is why this practical how-to guide promises to be so useful. The guide explains the key CSR concepts and, crucially, shows how to get good practices up and running in your organisation. It is a welcome addition to the growing library of books about CSR’.

There are various standards for managing non-financial issues, but as yet there is no certifiable international management standard covering all the aspects of CSR management. ISO 26000, recently published, provides guidance on managing CSR, but is not certifiable. If this was a certifiable standard, adoption of CSR would increase and be acknowledged as the standard by which a CSR management system should be measured, as ISO 14001 is to EMS. According to Jason Perks a director at Two Tomorrows Group, formerly CSRnetwork (Perks, 2009):

There is a wide range of guidelines, frameworks and principles, all of which have something to offer. One recent survey identified more than 400 documents of relevance to one or more parts of CSR.

The Ethical Corporation briefing (Ethical Corporation, 2010) focused on five major standards and guidelines: AA1000; the Global Reporting Initiative (GRI); International Finance Corporation (IFC) performance standards; ISO 26000; and OECD’s guidelines. It reviewed how they apply to companies and can shape their corporate responsibility decisions and strategies. The AA1000 series includes three standards:

AA1000 Accountability Principles Standard - provides a framework for identifying a company’s priorities in responding to sustainability challenges,

AA1000 Assurance Standard - provide assurance on sustainability reports,

AA1000 Stakeholder Engagement Standard - offers a framework for effective stakeholder engagement.

The GRI Sustainable Reporting Guidelines are the most widely accepted and practised guidelines for sustainability reporting. More than 1,000 companies report using the GRI guidelines; fifty per cent of them are based in Europe. GRI continually develops the reporting framework through a

consensus-seeking process with participants drawn globally from business, civil society, labour, and professional institutions. Sector specific supplementary reporting guidelines have been developed by GRI for electric utilities, financial services, and mining and metals. Supplementary guidelines are also under development or in pilot phases for several other sectors including logistics and transportation, media, NGOs, oil and gas, public agency, telecommunications, airports, apparel and footwear, automotive, construction and real estate, events and food processing. GRI guidelines outline the report content required to pass the tests of materiality, stakeholder inclusiveness, sustainability context and completeness. The principles for ensuring quality of the report address the issues of balance, comparability, accuracy, timeliness, reliability and clarity. Performance indicators that are organised under social, environmental and community categories are at the centre of GRI guidelines. Companies are supposed to report their performance on these indicators.

The IFC Performance Standards on Social and Environmental Sustainability (World Bank/IFC, 2012) aimed at promoting responsible project finance, have changed the way large projects are financed. IFC lends money for only those projects that meet its social and environmental standards. IFC's standards include social and environmental impact assessment of the project, labour standards, pollution prevention, community health and safety, responsible land acquisition and resettlement, conservation of biodiversity, rights of indigenous people and protection of cultural heritage.

ISO 26000 is one of the most comprehensive guidelines on social responsibility. Developed by the International Organisation for Standardisation (ISO), ISO 26000 is unique in that more than 90 countries participated in its development together with a diverse range of stakeholders including labour and human rights groups, consumer rights organisations and business associations. It is a voluntary guideline and not a certifiable management system. Organisations looking for a most acceptable benchmark for social responsibility will find ISO 26000 a useful tool due to wide support for this standard. ISO 26000 includes guidance standards on human rights, labour practices,

environment, fair operating practices, consumer issues, and community involvement and development.

The OECD Guidelines for Multinational Enterprises are legally non-binding broad recommendations for conducting business in a responsible manner. They include voluntary principles and standards for companies operating in the jurisdictions of the member countries. Adequate disclosure, fair labour practices, respect for environment, anti-bribery policies, being fair to consumers, and promoting science and technology in communities of operation are all included in the guidelines.

1.7 The development of CSR in UK the rail sector

1.7.1 CSR in British Rail

Having reviewed the general development of CSR the review now concentrates on UK rail. Beesley et al in 1978 argued that social responsibility in nationalised industries such as British Rail (BR) is taken to mean the voluntary assumption of social concerns, rather than their imposition by external controls. The 1970s saw a generally more favourable political climate for the railways perhaps stemming from a growing concern for the environment and unemployment. They cite a range of responses from BR including accepting responsibility for helping develop systems of relationships with government that include social and financial criteria, information flows and enabling accountability. The manner in which these are achieved would provide the major lessons for the development of social responsibility and may point to a convergence of issues for social responsibility facing both the nationalised and private sectors (Beesley, 1978).

According to Anne Yvrande-Billon and Claude Menard in their paper Institutional Constraints and Organizational Changes: The Case of the British Rail Reform (Yvrande-Billon and Menard, 2005) suggests that the rail industry in the UK, like so many other public utilities, was plagued with major problems that continuously worsened in the 1980s. Three dimensions of the rampant ‘crisis’ deserve notice. First, the rail sector had a persistently declining market share, due largely to

competition from road transportation. This was a general trend worldwide. In the UK, the share went down from 7.4 percent in 1975 to 4.6 percent in 1993. Second, debts were accumulating. As noted by Welsby and Nichols, 'BR moved from a cash position of a requirement (i.e., grant plus net borrowing) of £700m in 1988–1989 to a requirement of over £2 billion in 1991–1992' (Welsby and Nichols 1999). For the sole fiscal year 1991–1992, the deficit before subsidies of the then publicly owned BR was estimated to be £970 million. Third, the decline of the industry was amplified by decaying infrastructures, in fixed assets (e.g., tracks, buildings) as well as in rolling stock. Seventy percent of the network was not electrified, which made operating costs high and innovations such as high-speed trains observed elsewhere were absent. The radical reform of the British rail system adopted in 1993 has generated vigorous debates among European policymakers, economists, and the press. Several factors explain why it attracted so much attention. First, there is of course the series of dramatic accidents that followed the reform and were largely viewed as its consequence, most notably the accidents of Ladbroke Grove (October 1999: 31 fatalities and 227 people injured); Hatfield (October 2000: 4 fatalities and 70 people injured); and Potters Bar (May 2002: 7 fatalities and 76 people injured). These accidents provided arguments to the deeply entrenched groups of interest among users as well as employees that opposed any reform of the European systems of railroad. Second, this reform somewhat topped the round of radical reforms of public utilities initiated under the Conservative led Government of Margaret Thatcher and was considered by many as capitalising on the accumulated experience. Third, although the European directive for reforming the railroad system in Europe was adopted in 1991, two years before the British reform, many policymakers and most of the public interpreted it as inspired by the latter (Yvrande-Billon and Menard, 2005).

Robert Jupe, Reader in Accounting, Kent Business School, in his article 'A Poll Tax on wheels: Might the move to privatise rail in Britain have failed?' (Jupe, 2011) suggests with the benefit of increased revenue from passenger growth, BR is likely to have performed better than the privatised railway in the key interrelated areas of safety and punctuality. BR had been staffed by an integrated workforce, which developed a culture 'in which safety was nurtured as a habit of thought' (Terry, 2001). There were fewer deaths in railway accidents in each successive post war decade: from 344

deaths in the 1940s, to 337 in the 1950s, with a major reduction to 75 in the 1980s, and then a dramatic reduction to just eight up to privatisation in 1996/97 (Wolmar, 2005). BR's safety culture was, however, splintered and weakened by privatisation. There was 'a direct relationship between post-privatisation organisational changes' and the fatal accidents at Ladbroke Grove, Hatfield and Potter's Bar (Crompton & Jupe, 2007). All originated in the 'fragmentation of the industry and the neglect of safety considerations between organisational boundaries' (Crompton & Jupe, 2007). Railtrack's reaction to the Hatfield crash, which was caused by a broken rail on a stretch of line earmarked for renewal for nearly two years, plunged the company into what proved to be a terminal crisis. Lacking an asset register, Railtrack was unable to establish whether there were more broken rails. Its panic response was to introduce speed restrictions at over 1000 places in an attempt to remedy the accumulated maintenance deficit. The proportion of trains arriving on time, which had reached 90% before privatisation, fell from 87.9% in 1998/99 to 78% in 2001/02 (Jupe, 2011).

1.7.2 CSR post-privatisation and Railtrack

According to Christian Woolmar, Railtrack had adopted a complex risk-based maintenance system, which focused on assessing the network's assets in order to maximise their use rather than following BR's policy of replacing assets at set time intervals (Wolmar, 2005). Jupe in his paper 'The Modernisation and Fragmentation of the UK's Transport Infrastructure' (Jupe, 2011a) suggests that a major National Audit Office (NAO) investigation exposed the problems with this new system, noting that the number of broken rails increased by 25 per cent to 937 in 1998/99, compared with 750 in 1995/96 (NAO, 2000). The NAO highlighted the lack of a comprehensive network asset register, arguing that such a register was essential both for Railtrack's asset management and for the ORR to monitor the company's stewardship (Jupe, 2011a). As the NAO predicted, there was a decline in 'the health of the network'. This was demonstrated by the Hatfield crash, the third major accident under privatisation originating from rail's fragmentation. This serious crash led to British rail's 'nervous breakdown' (Wolmar, 2005) as, lacking an asset register, Railtrack undertook a huge programme of inspections, speed restrictions, and renewals. Railtrack had been awarded a generous funding settlement by the ORR in October 2000, but its escalating

costs after Hatfield led to additional funding of £1.5 billion being granted by the Labour

Government. While part of the cost increase is explained by safety considerations, and the need to remedy infrastructure defects, costs also escalated because of 'inefficiencies', with standard track replacement costing 25 per cent more in 2001/02 than it had in 1999 (DfT, 2004).

In addition to Railtrack's problematic maintenance system, it exhibited poor project management skills in the case of the West Coast Main Line upgrade. The initial budget was £2.1 billion, but the project was poorly scoped and managed and costs escalated towards £10 billion. In October 2001, faced with increasing demands for subsidy, Transport Secretary Byers obtained a court order placing an insolvent Railtrack in administration. Railtrack's collapse into insolvency provided the Blair Government with an opportunity to renationalise the rail infrastructure. Instead, the failed company was put into administration for one year. As in other modernisations of public services, 'a high profile structural change which failed to work' was 'replaced by yet another structural, high profile change' (Lapsley, 2008). Railtrack's replacement in 2002 was Network Rail, a 'public interest company' limited by guarantee. Unlike Railtrack, the new company does not have shareholders and does not pay dividends. It has debt finance, and is formally owned by around 120 industry and public members. A key argument used to support the infrastructure provider's new organisational structure was that it avoided the need to consider shareholder interests. This was explained by Transport Secretary Byers to the House of Commons in March 2002:

Railtrack was put into administration because it was, or was likely to be, unable to pay its debts, Network Rail will not be paying out dividend. Its core focus will be on the maintenance and renewal of Britain's railway. It will be able to raise capital for investment more cheaply. Getting Railtrack out of administration must be done on the basis that it will produce a viable, financially sound company (Byers, 2002).

Jupe argued that complex public-private partnership (PPP) schemes, underpinned by expensive regulatory mechanisms, were designed to enable private companies to provide transport services when it would be cheaper, more efficient, and achieve better value for money by operating such services on an integrated basis in the public sector. The ultimate paradox of the modernised state is

that there has not been a substantial risk transfer to the private sector in transport infrastructures, as companies cannot simply be left to the ultimate market discipline of bankruptcy. Ultimately, the government remains the operator of last resort, as demonstrated in the 2009 debacle when National Express, following GNER previously, abandoned its East Coast franchise (Jupe, 2011a). While structural change involving privatisation often represents 'the policy of first resort' under modernisation, a fundamental consideration for government should be that 'structural change alone will not avoid failure' (Lapsley, 2008).

Similarly, Gail Ridley in her research paper 'National Security as a Corporate Social Responsibility: Critical Infrastructure Resilience' examined issues relating to the resilience of an industry from the transport sector, the railway industry, at a national level in Great Britain after its privatisation. It also considered stakeholder relationships. The railway industry has been a key form of transport in the UK, with the nation's prosperity in Victorian times being linked to its development. Suburban and urban passenger trains have become integral to domestic life in Britain. Major disruption to the British rail network may affect public confidence, the British way of life and travel throughout the country for work or pleasure. One change made since privatisation has been to introduce community railways on routes which are little used but are important socially to citizens. The UK Department of Transport reduced the regulatory burden for community railways, aiming to increase use of these routes, reduce the cost of operating the services and lead to greater involvement of the communities they serve. Ongoing debate about the operation of the rail network in Britain, including how to achieve the best outcome for citizens and the most appropriate role for a complex array of stakeholders, suggests that the optimum arrangement has yet to be achieved (Ridley, 2010).

1.7.3 Current CSR and Network Rail

Network Rail's 2009 Corporate Responsibility statement, (Network Rail, 2009) includes:

Network Rail has achieved truly outstanding results over the last seven years, and corporate responsibility and sustainability have been essential in accomplishing this. For us, it's about achieving the balance between our social, economic and environmental commitments, each and

every day in everything we do. It's about meeting the needs of our many and diverse stakeholders, (Network Rail, 2009).

Network Rail are a not for profit organisation, committed to developing its relationships with the community and it strives to be good neighbours across the areas in which it operates. Network Rail seeks to be as inclusive as possible by working with local people and interest groups. It had dedicated community relations staff in each of its regions to support and promote these essential relationships. However, with such a large organisation, seven territories or regions for England, Scotland and Wales, (Network Rail, 2009a) they may find it difficult to operate a consistent policy across all aspects of their operations. Also, because Network Rail are a not-for-profit organisation they do not have the same pressure from stakeholders to improve in aspects of CSR in order to be perceived as a better company resulting in increased profits.

All companies want to win the trust of their stakeholders and to provide them with a fair and accurate representation of the company. For example, Network Rail stated in 2009: 'Deliver a safe, reliable and efficient railway, and a safe railway has been our number One Priority'. However, they are responsible for a number of pedestrian level crossings on high-speed lines that have a number of fatalities (RSSB, 2005). Demonstration of successful implementation of a CSR policy can be used by an organisation to assure interested parties that an appropriate Corporate Code of Conduct is in place attracting investment and winning contracts. Network Rail do not insist on their contractors having a Code of Conduct or a CSR policy but this research will discover if organisations with an effective CSR policy are treated more favourably than those without. It is argued that CSR has failed in its attempt to compel companies to behave responsibly and has been superseded by a more consensual approach that seeks companies to behave as good corporate citizens, (Whitehouse, 2003). It has been suggested that large organisations acting as corporate citizens have responsibilities equivalent to those expected of an ordinary citizen, (Windsor, 2001). An integrated sustainability approach to business, in all sectors and industries, is not just about including social performance data in a report. It is also about making links and joining up the different parts of the business. At times this will throw up dilemmas and conflicting demands. In

other situations linking up different perspectives and priorities will lead to business opportunities.

Many of these risks and opportunities lie in the company's attitude towards its neighbours and the way in which it interacts with its stakeholders.

As this review has demonstrated there are many available definitions of CSR and they consistently refer to the five dimensions as described by Dahlsrud who maintained these definitions but failed to present any guidance on how to manage the challenges these present. Therefore, the challenge for business was not so much to define CSR, as it was to understand how CSR is socially constructed in a specific context and how to take this into account when business strategies are developed (Dahlsrud, 2006). This challenge was particularly relevant to UK rail sector managers attempting to manage CSR when Network Rail were promoting the evolution of CSR compliance from a recommendation to a requirement.

1.8 A Review of CSR principles, standards and legislation

The next section compares the similarities and differences between the main principles, standards and legislation used in implementing CSR procedures. The United Nations Global Compact (UN Global Compact, 2009) is a strategic policy initiative for businesses that are committed to aligning their operations and strategies with ten universally accepted principles in the areas of human rights, labour, environment and anti-corruption. The Global Compact's ten principles are derived from:

- The Universal Declaration of Human Rights
- The International Labour Organisation's Declaration on Fundamental Principles and Rights at Work
- The Rio Declaration on Environment and Development
- United Nations Convention against Corruption

The ten principles are:

Human Rights

1. Businesses should support and respect the protection of internationally proclaimed human rights within their sphere of influence;

2. Make sure they are not complicit in human rights abuses.

Labour Standards

3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
4. The elimination of all forms of forced and compulsory labour;
5. The effective abolition of child labour;
6. Eliminate discrimination in respect of employment and occupation.

Environment

7. Businesses should support a precautionary approach to environmental challenges
8. Undertake initiatives to promote greater environmental responsibility;
9. Encourage the development and diffusion of environmentally friendly technologies.

Anti-Corruption

10. Businesses should work against corruption in all its forms, including extortion and bribery (UN Global Compact, 2009).

The guide unique to the UK rail sector, the Railtrack, now Network Rail, Line Standard RT/LS/S/015 Contract Requirements-Environment, published in August 1999 (Railtrack plc 1999). It was designed to ensure that suppliers and contractors acted in accordance with Network Rail's environmental policy and contributed to meeting its environmental obligations and social commitments. It had mandatory clauses which are included in all contracts and a suite of discretionary clauses used where relevant to the type of work. Network Rail's 'Invitation to Tender' is based on RT/LS/S/015 and contained a series of questions to which satisfactory answers are required prior to the award of a contract. Prior to allowing contractors to tender for core engineering work, Network Rail insisted they must first have submitted a core contractors assurance case, formerly a safety case, to demonstrate the levels of technical, safety and quality competence required. This assurance case included environmental and social aspects and had to be approved by Network Rail.

1.9 CSR policies and corporate codes of conduct

The successful implementation of CSR can be used by an organisation to assure interested parties that an appropriate corporate code of conduct is in place, attracting investment and winning contracts. Network Rail do not insist on its contractors having a code of conduct or a CSR policy, but the research will discover if organisations with effective CSR policies are treated more favourably than those without. It is argued that CSR has failed in its attempt to compel companies to behave responsibly and has been superseded by a more consensual approach that seeks companies to behave as good corporate citizens (Whitehouse, 2003). It has also been suggested that large organisations acting as corporate citizens have responsibilities equivalent to those expected of an ordinary citizen (Windsor, 2001).

Previous research by Mendes and Clark (Mendes and Clark, 1996) argued that there are essentially five 'generations' of issues of ethical and social responsibility dealt with in most business codes of conduct and corresponding management systems:

First-generation: conflict of interest

Second-generation: commercial conduct

Third-generation: employee and other third party concerns

Fourth-generation: community and environmental concerns

Fifth-generation: accountability and social justice (Mendes and Clark, 1996).

Statements from UK rail companies such as Jarvis, with social and community issues, Amey, with wider societal issues, and Amec, with openness and transparency, are examples of companies attempting to incorporate Mendes and Clark's fifth-generation principle into their CSR statements. However, even if a company decides to integrate all five generations of issues into its activities, whether through a code of conduct or by other approaches, issues of implementation arise. Ingrained corporate culture and lack of appropriate corporate governance structures and training lead even the most well-intentioned corporation to fail on living up to their own codes of conduct (Centre for Business Ethics, 1986).

Some companies have developed relatively effective management systems for implementing first- and second-generation ethical issues into their business activities. However, later generation issues can be more difficult to implement given the complexity of the matters at stake. Companies that have codes of conduct addressing later generation issues are sometimes criticised for erratic implementation of their policies. Even an acknowledged leadership company like the clothing manufacturer Levi Strauss (Levi Strauss, 2010) has been targeted by major non-governmental organisations for not living up to the standards set out in its voluntary code (Centre for Business Ethics, 1986). This criticism and accusations of Greenwash (see Appendix 1) are the risks organisations must take; they must also be prepared to be open and transparent in answering questions about these risks if they are to be successful in implementing a robust CSR policy.

1.10 CSR Reports in other sectors

Benchmark Surveys (CSR Network, 2003), carried out over the years 2000 to 2003, found consistent levels of reporting in all sectors. The computer and electronic sector tended to display the strongest reporting, while the financial services and merchandising sectors tended to be weaker. The computer and electronic sector proved to have the greatest percentage of reporters at ninety per cent, of which seventy per cent were Japanese companies. The trend in reporting over these years was towards reporting on environmental issues, and this is still the case, although half of the companies are now producing combined social and environmental reports. The results from the survey of the computers and electronics sector include:

- 52% of companies (in this sector) around the world did not publish a global environmental or social report in 2003
- 62% of all non-reporting companies were located in the US
- 70% of Asian companies published a global environmental or social report
- 18% of US companies published a global environmental or social report
- 69% of European companies published a global environmental or social report (CSR Network, 2003).

However, again in this sector, Asia (70%) and Europe (69%) published global environmental and social reports, but in the US 82% of companies and over half the companies around the world did not publish such a report. Taking a geographical cut across the survey findings, some clear trends were identified. For example, the United States was home to the largest number of companies (39%) but also hosted the largest number of non-reporting companies. Japanese companies had long been leaders in environmental reporting. In 2003 they accounted for 20% of the total number of companies, but 33% of the total number of reporting companies. The focus of these reports was still primarily concerned with environmental performance, although many were moving from environmental to environmental and social reporting (CSR Network Ltd, 2003).

The Benchmark Survey found that companies reported on both environmental and social issues in a great variety of ways, reflecting the different priorities for each industry sector and each individual company. Titles ranged from 'Environmental and Social', to 'Sustainability', 'Citizenship' and 'Sustainable Development'. Combined reporting tended to have three starting points: a progression from mature environmental reporting, an expansion of philanthropy reporting and a focus on the sustainability of products or services. Many of the Japanese companies such as Fujitsu (Fujitsu, 2010), Hitachi (Hitachi, 2009) and Toshiba (2010), traditionally leaders in environmental reporting, expanded their environmental reports to include CSR.

Indicators for social reporting are as yet poorly defined and terms such as social responsibility, sustainable development and continual environmental improvement are often difficult to report on in numerical terms, for example, measuring community sentiment and the long-term effect of sustainable procurement. This has led many companies to use a case study approach to report social performance through anecdotes. Although in most cases the case studies do not represent performance across the whole business, they demonstrate a commitment and attitude that is consistent with company values. It is becoming increasingly evident that social performance is highly subjective and strongly linked to local conditions. So, while one approach may work well in one location, it may not suit conditions elsewhere. BP, for example (BP, 2005), used the Internet for its reporting, allowing it the flexibility to report in two ways, firstly by disclosing

environmental and social performance for the BP group as a whole, with discussion around some of the key issues addressed by business policies, and secondly reporting by location. Balfour Beatty (Balfour Beatty, 2005), for example, had an e-shareholder 'pop-up' on their web page that invited shareholders to receive copies of company information electronically rather than by hard copy, thereby saving paper and trees. This action was rewarded by Future Forests (Future Forests, 2009) planting trees on its shareholders' behalf. Another example was Jarvis plc, which produced a standalone CSR report (Jarvis, 2002) alongside the annual report & accounts for the first time in June 2002. This report was its first detailed group statement of recognised CSR activities, obligations and initiatives. It set out the progress the group had achieved to date and also committed the group to further development of relevant CSR initiatives, but these were put on hold when the company got into difficulties in 2004.

In addition to the qualitative nature of social and sustainability reporting, companies are finding that the concept is constantly evolving; what was a suitable indicator last year may not be so indicative this year. The fluidity of combined reporting is highlighted in the findings of the Benchmark Survey, where the content of no two reports is the same (CSR Network, 2003). An integrated sustainability approach to business, in all sectors and industries, is not just about including social performance data in a report. It is also about making links and joining up the different parts of the business. At times, this will throw up dilemmas and conflicting demands. In other situations, linking up different perspectives and priorities will lead to business opportunities. Many of these opportunities lie in the company's attitude towards its neighbours and the way in which it interacts with its stakeholders. In UK rail, for example, Network Rail recognises the importance of developing its relationships with the community and being a good neighbour. Network Rail therefore seeks to be as inclusive as possible by working with local people and interest groups, and sees itself as integral to this process by:

Contributing to improving the quality of life for everyone in the UK, whether they use the trains or not (Network Rail, 2008).

Similarly, Serco states that:

Responsible conduct and public service ethos underpin the strength of our relationships with public sector customers (Serco, 2009).

Amey also acknowledges the value of CSR:

Amey recognises the business benefits of CSR (Amey, 2009).

Similarly other UK rail companies including Balfour Beatty, Amec, Serco, Jarvis, Taylor Woodrow and Carillon all report on sustainability and sustainable development. For example, Serco points out that a successful business is as important to the communities where it operates as it is to its shareholders:

Working with and supporting local communities (Serco, 2009),

The same as Taylor Wimpey:

Impact of our developments on the local economy of communities and social inclusion in the communities (Taylor Wimpey, 2008).

In future, there is likely to be more integrated reporting as social and sustainability issues become more important to senior management and other stakeholders. The number of companies encouraged into reporting by shareholder, customer or societal pressure has increased from those early days. Those companies that were reporting on environmental impacts are likely to expand their reporting into social and economic areas as well. As for the non-reporters, current trends (see CSR Network, 2003) suggest that there will not be a great increase in the numbers of companies reporting. This has remained at around fifty per cent of total companies over the late twentieth and early twenty-first centuries. This trend is further supported by the very small number of companies reporting for the first time, as shown in the 2003 Bench Mark survey Table 1.10.1.

Table 1.10.1 Trends in reporting showing numbers reporting for the first time. Source: CSR Network, 2003 (* New reporting category in 2003. ** In 1999 and 2001 these reports were environmental reports only).

Reporting Category	1999	2001	2002	2003
*Sustainability targets	n/a	n/a	n/a	3
*Social targets	n/a	n/a	n/a	4
*Sustainability policy	n/a	n/a	n/a	6
*Mobile sources of CO 2	n/a	n/a	n/a	8
Water discharge	n/a	18	18	11
*Ethical trading	n/a	n/a	n/a	12
*CSR management system	n/a	n/a	n/a	13
*Social policy	n/a	n/a	n/a	15
*Senior social management	n/a	n/a	n/a	15
Air emissions	n/a	27	19	15
Hazardous waste	n/a	12	19	17
Independent assurance	n/a	8	14	19
Water consumption	n/a	13	16	21
Health and safety	10	17	18	23
Logistics	n/a	n/a	14	24
Report feedback	n/a	n/a	n/a	24
*Human rights	n/a	n/a	n/a	26
*Economic impacts	n/a	n/a	n/a	26
Waste	n/a	31	28	28
Environmental targets	12	33	34	29
Equity	n/a	n/a	19	31
Environmental supply chain	12	28	33	32
*Stakeholder engagement	n/a	n/a	n/a	32
*GHG mitigation	n/a	n/a	n/a	36
EMS	18	40	45	39
Senior environmental management	33	40	41	39
Environmental policy	n/a	51	52	42
Use of the internet	n/a	63	65	46
**Social and environmental report	39	44	49	48
Product sustainability	n/a	n/a	40	49

This increasing trend in reporting on social and environmental issues continues today. For example, the 2009 AMR Research Leadership Awards, the research firm focusing on global supply chains, awards companies for top performance in four categories: corporate social responsibility, sustainable leadership, technology leverage and small to midsize companies (AMR, 2009). Greater reporting of social performance in areas applicable to all companies such as employee care, diversity and health and safety emerged, but the Benchmark Survey also identified an increasing tendency to report on sustainability issues that were specific to particular companies. In this way, companies were beginning to recognise that only some aspects of environmental and social performance were material to their business and worth reporting on.

The AA1000 Assurance Standard states:

Information is material if its omission or misrepresentation in a report could influence the decisions and actions of the reporting organisation's stakeholders (AA1000, 2008).

However, who are these stakeholders referred to in this definition? Edward Freeman, the economist and author of a number of papers on stakeholder theory maintains that stakeholder theory is a theory of organisational management and business ethics that addresses morals and values in managing an organisation. It was originally detailed by Freeman in the book *Strategic Management: A Stakeholder Approach*, (Freeman, 1984) and identifies and models the groups which are stakeholders of a corporation, and both describes and recommends methods by which management can give due regard to the interests of those groups. Freeman defined 'stakeholders' as any group or individuals who can affect, or are affected by, the achievement of a corporation's purpose, including employees, customers, suppliers, stockholders, banks, environmentalists and governments (Freeman, 1984). Freeman's definition is endorsed by Société Générale, which defines stakeholders as:

Individuals and groups with a more or less direct interest in the life of a company or institution: shareholders, employees, clients and suppliers, public authorities, civil society (NGOs, local communities, residents, etc.) (Société Générale, 2008).

Although the term 'stakeholder', in its broadest sense, includes shareholders, most discussions (see Phillips, 2003; Freeman, 1984; Waddock 2003) about CSR distinguish between shareholders and the rest of the corporation's stakeholders. This emphasis is the point of view that corporate responsibility and accountability ought to extend beyond investors to other stakeholders. Quoted in the media column of the Financial Times in September 2004 a more explicit definition of a stakeholder was: 'Anyone that can bugger up your business' (Harris, 2004).

According to Weiss, stakeholder theory has become an established framework within which one can identify and examine the impact of an organisation's actions, and has been used to inform discussion of corporate governance and business ethics (Weiss, 1995). Whereas D'Aveni argues that superior stakeholder satisfaction is critical for successful companies in a hypercompetitive environment (D'Aveni, 1994), Capra's book *Web of Life* sees organisations as fundamentally relational (Capra, 1995), while Clarkson describes stakeholders as having a complex set of relationships between and among interest groups with different rights, objectives, expectations and

responsibilities (Clarkson, 1995:107). Porter's 'five competitive forces', which define the setting within which a corporation establishes and maintains its strategy, describes stakeholders as the corporation's existing direct competitors, its customers, its suppliers, new entrants to the sector and organisations that offer goods or services that may substitute for those of the corporation (Porter, 1980). Mark Schacter describes the term 'stakeholder' as referring to groups that are likely to feel a significant impact, positive or negative, social, environmental, economic or financial, from corporate actions, and therefore have a 'stake' in the corporation. Key corporate stakeholders include investors (shareholders), suppliers, customers, employees, government regulators and members of communities where the corporation operates or that are affected by corporate activity. Although the term 'stakeholder', in its broadest sense, includes shareholders, most discussions about CSR distinguish between shareholders and the remainder of the corporation's stakeholders. Shareholders hold shares in the company, i.e. they own part of it. Conversely, stakeholders have an interest in the company but do not own it (unless they are shareholders). This emphasises the point of view that corporate responsibility and accountability ought to extend beyond investors to other stakeholders (Schacter, 2004).

If a company wants to make stakeholders' priorities its business priorities, it needs to understand what these are. An environmental or social report may be a one-way communication from the company stating its perceived priorities. However, a report can be shaped and developed jointly by stakeholders and the company, together, to reflect material aspects of the business for both parties, clearly setting out what the important risks and issues are and how the company is approaching them. Either way, the company acknowledges that there are elements beyond financial results that are important to stakeholders and therefore important to the business (CSR Network, 2003).

If there is a debate about the definition of stakeholders, there is a general agreement from the UK rail sector's leading businesses (see AMEC, 2010; Balfour Beatty, 2011a) on the requirement for a standard to support the effective management of CSR. The emerging view from these companies is that a comprehensive integrated CSR programme can indeed lead to increased shareholder value and help companies meet stakeholder expectations. Evidence supporting this view can be found in

business rating indexes such as FTSE4Good (FTSE, 2008). However, a lack of consensus on the management of CSR, and how it integrates with existing business models, presents organisations with significant challenges.

1.11 Summary

This chapter introduced and reviewed the literature on CSR and identified the current position with regard to CSR management within the UK rail sector. It is only by identifying these positions that the requirements of the industry can be more appropriately targeted. It also reintroduced the research questions, page three of the Introduction, relevant to solving the research problem, specifically research question 5: *Is managing CSR essential in successful UK rail sector organisations?* The theoretical problems that this section identified included the introduction of new legislation and standards.

As it has been demonstrated, CSR management is interpreted by many people in many different ways because there is no agreed standard. Therefore a clear working definition is required. The author would propose, for the purpose of this study, a working definition of CSR in the UK rail sector should be the following:

Meeting the needs of the present without compromising the needs of future generations achieved through voluntary management of environmental, social and economic performance that meets or exceeds ethical, contractual, and stakeholder expectations.

This definition is justified by taking the accepted definition of CSR from Bruntland, meeting the needs of the present without compromising the needs of future generations (Bruntland, 2000), and expanding it to include Dahlsrud's definition of CSR that consistently refer to five dimensions: the stakeholder dimension; the social dimension; the economic dimension; the voluntariness dimension and the environmental dimension. Resulting in the above definition, the voluntary management of the key CSR elements, environmental, social and economic, that meets UK rail sector contractual and stakeholder requirements.

The research problem outlined the processes required to identify the significant CSR issues

associated with operations within the UK rail sector. The motivation for CSR is the belief that this will bring not only reputational, but also financial benefit to the organisation. The themes of CSR in the UK rail sector identified in this chapter include the development of CSR starting with British Rail with the work and preparation of reports such as for BRIS leading up to privatisation. This continued during the life of Railtrack with the introduction of its Corporate Sustainability Reports and is currently championed by Network Rail with its increasing emphasis on CSR and recognising the importance of developing its relationships with its contractors, the community and being a good neighbour.

Chapter 2.0 Research Strategy and Methods

2.1 Introduction

In the previous chapter the background to the theory and practice of CSR was presented and the literature review discussed the theoretical and practical problems identified including a review of CSR principles, legislation and standards. It concentrated on organisations in the UK rail sector that had CSR policies. Furthermore, the chapter identified the motivation for implementing CSR is the belief that this brings not only reputational but also financial benefits. The purpose of this chapter is to introduce the research strategy and what are regarded as the appropriate research methods. This chapter therefore outlines the empirical approach chosen for the research, the questionnaire-based survey, personal interviews to discuss the questionnaire, based on the experience of the UK rail sector managers with responsibility for CSR, and the analysis of the documentation from the literature review.

The chapter is organised into 7 sections, covering inter alia: Research questions (2.2), Research methods (2.3), Developing the research approach (2.4), The research questionnaire-based survey (2.5), The research interview-based survey (2.6), Ethical considerations (2.7), and concludes with a Summary (2.8).

2.2 Research questions

The research questions that underpin this thesis explore the management of CSR in the UK rail sector and the assumption that there is increasing evidence of UK rail sector companies that actively manage CSR perform better than companies that do not. Also, those companies taking the initiative here are generally rated in surveys as being companies where people want to work and do business (Forbes, 2012).

Specifically, this study addresses the following five research questions:

Research Question 1: *Who/what is the main driving force behind CSR initiatives in the UK rail sector: external stakeholders, employees, management or interested parties?*

Research Question 2: *What type of information, relevant and accessible to the stakeholder should be included in a CSR report?*

Research Question 3: *Should the CSR report contain environmental data only or social, health, safety and corporate governance/compliance data?*

Research Question 4: *Where external communication in the UK rail sector breaks down, to what extent is the impact of inaccurate information and loss of stakeholder confidence irretrievable?*

Research Question 5: *Is the management of CSR essential in successful UK rail sector organisations?*

UK rail sector companies that adopt this CSR initiative will have had to develop certain key deliverables including:

- Stakeholder mapping, of key direct and indirect stakeholders impacts and influences, which will influence the scope and nature of relevant Key Performance Indicators (KPI's).
- A gap analysis of current progress and performance against established and accepted stakeholder requirements.
- A proposed framework of KPI's based on stakeholder expectations.
- The development of appropriate HSQE management systems for the measurement, monitoring and reporting of the selected KPI's.
- The integration of the CSR framework with the established HSQE management systems.
- Auditing and reporting frameworks.

This research investigates the argument that all this effort, time and resource really do benefit the UK rail sector companies adopting CSR. In order to examine this proposition, we need to establish a set of appropriate research questions.

2.3 Research Methods

Table 2.3.1 taken from Yin (Yin, 2009) describes the relevant situations for different research methods with three conditions and how the approach for the research was chosen. Addressing the

first research question: Who/what is the main driving force behind CSR initiatives in the UK rail sector: external stakeholders, employees, management or interested parties, this question is exploratory and focuses on contemporary events so a questionnaire-based survey method was considered the most appropriate.

Table 2.3.1 Relevant Situations for Different Research Methods. Source: Yin, 2009 (COSMOS Corporation).

METHOD	1. Form of research question	2. Requires control of behavioural events?	3. Focuses on contemporary events?
Experiment	How, why?	yes	Yes
Survey	Who, what, where, how many, how much?	No	Yes
Archival Analysis	Who, what, where, how many, how much?	No	Yes/no
History	How, why?	No	No

The questionnaire-based survey method helped identify the participating UK rail sector companies with effective CSR capabilities and determined if this was connected with success, or otherwise.

The three sources of evidence/data collection included:

1. Questionnaire – Primary
2. Interviews – Primary
3. Literature review findings – Secondary

Because of the lack of secondary data sources meant a need to conduct a primary evidence gathering strategy a questionnaire-based survey and personal interviews.

The questionnaire method was chosen because questionnaires are a useful method to investigate patterns, frequency, expectations, perspectives, priorities and preferences, shifts in attitudes and opinions, and trends (by repetition over time). According to the ‘eVALUEd Project’, based within the evidence base at the UCE Birmingham (eVALUEd, 2006) the advantages of questionnaires are:

- They are relatively easy to analyse
- They are familiar to UK rail sector managers
- A large sample of CSR managers can be contacted at relatively low cost
- They are simple to administer
- The format is familiar to most respondents

- They are simple and quick for the respondent to complete
- Information is collected in a standardised way
- They are usually straightforward to analyse
- They can be used for sensitive topics
- Respondents have time to think about their answers.

Alternatively, the main disadvantages of questionnaires are:

- It can be difficult to obtain a sufficient number of responses
- UK rail sector managers with an interest in CSR may be more likely to respond, skewing the sample
- Respondents may ignore certain questions
- Questionnaires may appear impersonal
- Questions may be incorrectly completed
- They are not suitable to investigate long, complex issues
- Respondents may misunderstand questions because of poor design and ambiguous language
- Questionnaires are unsuitable for some kinds of respondents
- There is the danger of questionnaire fatigue if surveys are carried out too frequently
- A small sample might not provide enough information

The interview method was chosen for the same reasons as for the questionnaire, and the main advantages of personal interviews are, according to the 'eVALUED Project' (2006):

- They are useful to obtain detailed information about personal feelings, perceptions and opinions
- They allow more detailed questions to be asked
- They usually achieve a high response rate
- Respondents' own words are recorded
- Ambiguities can be clarified and incomplete answers followed up
- Precise wording can be tailored to respondent and precise meaning of questions clarified

- Interviewees are not influenced by others in the group
- Some interviewees may be less self-conscious in a one-to-one situation.

On the other hand, the main disadvantages of personal interviews are:

- They can be very time-consuming: setting up, interviewing, transcribing, analysing, feedback, reporting
- They can be costly
- Different interviewers may understand and transcribe interviews in different ways (eVALUED, 2006).

As with the other methods of data collection, literature reviews also have advantages and disadvantages and according to Anne F. Marrelli the Senior Director of Organizational Effectiveness for Beacon Associates (Marrelli, 2005). The main advantages of literature reviews are:

- They are versatile. They can be conducted for almost any topic and can provide information either at the overview level or in-depth.
- They are relatively inexpensive and efficient. A large amount of data can be collected quickly at minimal cost.
- No scheduling or coordination is involved. The cooperation of others is not required.
- The only resources needed are a good library or online database and a competent reviewer.
- They can be an excellent first step in a project or study because they provide a conceptual framework for further planning and study.

However, the main disadvantages of literature reviews are:

- An effective literature review requires a high level of skill in identifying resources, analysing the sources to identify relevant information, and writing a meaningful summary.
- They are limited to collecting information about what has happened in the past, and usually within organizations other than the researcher's own workplace. They cannot provide data about current actual behaviour (Marrelli, 2005).

2.4 Developing the research approach

To ensure the robustness of the research, a pilot questionnaire was tested by three experienced Environment Managers with CSR responsibilities working in the UK rail sector. They were interviewed on their interpretation of the questions and asked for comments on how the questionnaire-based survey could be improved. These interviews resulted in some minor amendments to a number of the survey questions to improve the clarity of the questionnaire.

The pilot questionnaire was developed from a survey conducted by the Centre for Clean Technology and Environment Policy (CSTM) in the Netherlands (Bressers, 2004). The CSTM survey examined the relationship between written CSR definitions by political and business organisations and perceptions of CSR within companies in the UK, the Netherlands and Germany (Mathis, 2004).

In May 2005, the revised questionnaire-based survey for the research was delivered to sixty-two targeted UK rail sector companies. During May 2005 to December 2006, twenty-five questionnaires, forty per cent, were returned completed (see Appendix 4 for interviewees and company contacts).

The targeted companies were selected based on three criteria (1 and 3 mandatory, 2 optional):

1. Operating in the UK rail industry;
2. Listed in Business in the Community's Corporate Responsibility Index, or in the Dow Jones Sustainability Index;
3. Registered, or working towards registration, under the EU Eco-Management and Audit Scheme (EMAS) or ISO 14001.

The selection criteria were chosen on the assumption that these would guarantee the sample's focus on the UK rail sector, according to sector standards. Standards including Network Rail's Contract Requirements – Environment (Railtrack, 1999) and the Contractors Assurance Case (RIAGB,

2003) without which it was difficult to get work on the UK rail infrastructure. This was not a survey of a random sample of companies, but rather an intentional attempt to examine how UK rail sector companies were developing, implementing and managing CSR initiatives.

Other methods considered included research into UK rail sector companies, solely using company reports and other second-hand information in the public domain. However, personal contact provided a clearer understanding of each company's position concerning CSR management allowing each company's representative the opportunity to describe the company position which in turn provided more relevant information. This information was a personal interpretation of the company position and without evidence would be questionable in its reliability. The respondents were asked to supply evidence, for example internal reports, that would support the published annual reports.

The questionnaire-based survey was issued in hard copy to the relevant individuals in the selected UK rail sector companies. This known and targeted sample indicated the number of companies with CSR initiatives and management systems. This sample required a specific approach with the detailed questionnaire-based survey. One possible consequence was that if too few had a relevant CSR strategy in place, the outcome of the research would not be so effective.

The questionnaire was divided into three sections:

Part One – CSR and your company – Examining the research question - Is managing CSR essential in successful UK rail sector organisations?

Part Two – Public and Private Sectors – The impact of CSR - Who/what is the main driving force behind managing CSR initiatives in the UK rail sector?

Part Three – General Information – provides supplementary detail to the survey.

The survey questions were chosen to assess the extent to which companies in the UK rail sector have integrated the principles of CSR into their corporate strategy. The survey's aim was to discover if the more successful UK rail sector companies were managing CSR, as opposed to the not so successful companies that didn't. Each section of the questionnaire-based survey contained

Likert-scale questions, ranking questions and yes/no/don't know questions with the option to add further comments.

2.5 The research questionnaire-based survey

In this section, the questions from the questionnaire-based survey completed by UK rail sector companies are presented.

The first question of the survey asked:

Q.1. Of the many definitions/interpretations of CSR, what is your view or that of your company?

This question sought to obtain respondents' views and knowledge of CSR.

The next question asked:

Q.2. What do you consider the actual and perceived benefits from CSR in the UK rail sector?

This question was to help understand if a perception existed in the respondents that benefits from managing CSR were achievable.

The next question asked the respondents:

Q.3. How active is your company with respect to CSR?

This would determine the level of activity in companies in the UK rail sector with formal CSR systems in place.

When asked:

Q.4. To what extent do the following business considerations characterise CSR in your company?

This question sought to obtain respondents' views on the terms 'CSR' and 'environmental management' and if they were regarded as synonymous and used to describe social responsibility.

In response to the next question:

Q.5. When was it apparent to you that your company was conscious of its wider responsibilities to the community?

The respondent's views were sought on the privatisation of British Rail between 1994 and 1997 and whether this was coincidental that this was also the time UK rail sector companies were beginning to implement CSR.

Q.6. When your company became conscious of its wider responsibilities to the community, this was due to?

This question followed on from Q.5, post privatisation, and was aimed at examining if CSR became an issue after a critical event, aspirations of a strategic leader, public expectations, stakeholder pressure, or company tradition.

Critical events and reputation were the focus of the following survey question, in which the respondents were asked:

Q.7. How important was CSR in the UK rail sector in relation to a number of business opportunities?

This was to attempt to understand the respondents' opinion if good reputation and brand image were regarded as the most important business considerations, and if a poor reputation gained from the mismanagement of critical events was not.

The next question asked:

Q.8. Does your company report on its negative impacts in CSR, frequently known as 'warts and all' reporting?

This sought the views of the respondents' to consider if UK rail sector companies are wanting to be seen credible in managing CSR, should they appear to be honest and transparent and include negative as well as positive impacts in CSR reports?

The next question asked:

Q.9. How would you characterise the level of CSR integration in the everyday functioning of your company?

This was to try to understand in the UK rail sector were there varied stages of acceptance of CSR by the different competing companies and would these approach CSR in different ways. Also, if the value of an effective CSR policy within the UK rail sector was increasingly accepted, when would such a policy become ready for implementation.

The respondents were asked:

Q.10. Does your company use external stakeholders (employees, management, or other interested parties), rather than the UK rail sector organisation, to drive CSR initiatives?

Evidence was sought to discover how UK rail sector contractors used external stakeholders to drive CSR initiatives, in particular the critical relationships with Network Rail the main stakeholder and client.

Q.11. How would you characterise the following stakeholders' influence with regard to your company's decision-making process?

This question sought to discover the different levels of influence on decision-making for the various UK rail sector stakeholder groups and who were the stakeholders with the most influence.

When the respondents were asked:

Q.12. Do you prioritise stakeholders in any way?

This question sought to understand stakeholder relationships between UK rail sector companies, Network Rail and the government.

When the target companies were asked:

Q.13. What are the primary instruments your company uses to acquire external information, public opinion and stakeholder opinions on CSR issues?

The respondents were asked to suggest if stakeholder dialogue, dedicated external information systems, dedicated internal department or teams, workshops and conferences, reporting mechanisms, and partnerships were used to access external opinion on CSR.

Q.14. Rank in importance who or what is the main driving force behind CSR in the UK rail sector?

This question refers to and supports the first of the five research questions:

Who/what is the main driving force behind CSR initiatives in the UK rail sector: external stakeholders, employees, management or interested parties? The question aimed to examine if the engagement with CSR was due to increasing public expectations, the organisation's directors, or pressure from stakeholders and shareholders.

Q.15. To what extent is the impact of inaccurate information and the resulting loss of stakeholder confidence, which puts at risk corporate confidence, irretrievable?

This question also refers to and supports the fourth of the five research questions. The impact of negative information and the resulting loss of stakeholder confidence can in turn put at risk corporate confidence, which has been particularly apparent in the UK rail sector in recent years. The response to this question will show if loss of corporate confidence is retrievable or not. One contribution of this research is to discover if the loss of confidence by stakeholders in the UK rail sector could be prevented by increased management of CSR and the total disclosure of an organisation's activities 'warts and all', demonstrating honesty and transparency. A further contribution will be to discover if it is possible to bank stakeholder 'confidence credits', to be available at times of organisational crisis.

Q.16. Where does CSR become visible and noticeable in UK rail sector company documents?

The respondents were asked to rank where CSR is visible and noticeable in UK rail sector company documents. Was it visible in a company policy or mission statement or annual reports?

When asked:

Q.17. What type of information, relevant and accessible to the reader, should be included in a CSR report?

This question refers to and supports the second research question. The respondents were given a number of options to choose from including: environmental incidents, health and safety accident

statistics, working hours, sickness and absenteeism records, and staff retention details. The research seeks to discover if it should include negative information such as incidents, accidents, and critical events.

When asked:

Q.18. Should the report contain just environmental data or social, health and safety and corporate governance/compliance within a risk management framework data, too?

This question refers to and supports the third research question. The result from this question should give a clear indication what the UK rail sector companies taking part considered to be of value in a CSR report.

The participating UK rail sector companies were also asked:

Q.19. In your company, what instruments are implemented to facilitate CSR?

The respondent's views were sought to establish what instruments such as HSQE management systems, dedicated programmes, partnerships, triple bottom line reporting, or independent verification could be used.

When asked:

Q.20. How would you characterise your company's triple bottom line mechanisms and procedures?

The concept of triple bottom line reporting demands that a company's responsibility lies with stakeholders rather than just shareholders. The views of the respondents were sought to identify the level of economic, environmental and social mechanisms and procedures that were implemented in the UK rail sector.

When the companies were asked:

Q.21. To rank various business responsibilities.

The choices available to the respondents included: making a profit, the protection of employee health and safety, protect the environment, listening to local citizens, contributing to charities, treat

employees equally, not to participate in bribery and corruption, and behave socially responsible and provide transparency. The responses should determine if making a profit was the highest business responsibility.

In response to the survey questions:

Q.22. Can the impact of CSR in the UK rail sector be measured?

The responses to this question would determine if the impact of CSR in UK rail sector companies could be measured and how this was achieved.

Q.23. To what extent did the implementation of CSR change your company's core business?

It is considered useful for this study to investigate how the extent of implementing these schemes changes a company's core business. The respondent's views were sought on what changes the implementation of CSR had on the company.

The questionnaire-based survey's next two questions asked:

Q.24. Do you think that expectations (governments, public) with regard to CSR rose in the last decade?

Q.25. If expectations rose, what were the responsible factors for this change?

The UK rail sector companies respondent's views were sought on whether public and government expectations had increased and what were the responsible factors for this change.

When asked:

Q.26. To what extent has the company's CSR strategy influenced supply chain management regarding the choice of suppliers?

Suppliers have a considerable influence on companies in successfully delivering their contracts to contract requirements and company policy. This question was aimed at understanding if UK rail sector companies tried to influence their suppliers to adhere to their CSR values and principles.

The response to the next question:

Q.27. Does government intervention, environmental legislation, public policy, and business initiatives slow CSR development in the UK rail sector?

The question aimed at establishing the views of the respondents on whether government should intervene in CSR development, or the private sector alone can improve standards.

In a similar vein, the next question asked:

Q.28. Do UK rail sector companies believe that voluntary-led initiatives and market mechanisms are sufficient to encourage CSR performance?

Again aiming to establish if the majority of respondents prefer a more interventionist approach from the UK government.

The respondents were then asked:

Q.29. To what extent do you see a role for government in facilitating CSR in the UK rail sector?

Views were sought on should the government lead on CSR development, should the government be involved or should the government not be active at all.

Q.30 Which role do you think the public sector should have with respect to CSR distribution and development.

Should the government's role be that of facilitator, partner, educator or regulator?

Q.31. Please specify the extent to which legal requirements and other strategic considerations are important for your CSR activities.

Views were sought on how important did the respondents see the extent to which legal requirements and other strategic considerations are for CSR activities? Did these include immediate adaptation to new legislation, increased investment to exceed legislative demands, opening new markets and taking into consideration CSR conscious consumers?

When asked:

Q.32. Given that implemented CSR schemes by UK rail sector companies are generally welcomed by government, do you see any differences in how the levels of government (national, regional, and local) support CSR?

Governmental support, such as the Environment Agency (Environment Agency, 2007) funded in part from the UK government Department for Environment, Food and Rural Affairs (DEFRA, 2009), applies nationally, whereas regional and local governmental support varies. For example, Transport for London's best practice guides (Transport for London, 2008) only apply in and around London. The question intended to establish if the respondents saw a difference in governmental support for CSR.

Q.33. How important is governmental support in its different layers with respect to helping your business implementing CSR?

Evidence from the respondents was sought of the importance of governmental support between local, national, regional, and international.

Q.34. Rank the following governmental layers according to the number of contacts with your company.

The number of contacts the respondents' companies have with these governmental layers will confirm if: regional, national, local, or international governmental support is highest.

Q.35. What would you say are the causes for these differences in governmental support with respect to different governmental layers?

This question was aimed at determining if the respondents thought that governmental policies do not reach local authorities, if they thought the bureaucratic body was too static and inefficient or if their company does not depend or need governmental support.

Q.36. Is management of CSR essential in successful UK rail sector organisations?

This question refers to and supports the last of the five research questions:

The respondent's views were sought on the suggestion that CSR could help UK rail sector companies become more successful.

Questions 37 to 41 are self-explanatory and can be seen in Table 2.5.1

Table 2.5.1 General information and personal details of the respondents.

Details
Q. 37 - Number of employees in respondent's company: 1 – 100 100 – 1000 1000 – 10 000 > 10 000
Q. 38 – Respondent's time in this role: < 1 year 1 – 2 years 3 – 4 years 5 – 10 years > 10 years
Q. 39 - Was the respondent employed by the company before this position: Yes No
Q. 40 – Respondent's age: 20 – 29 30 – 39 40 – 49 50 – 59 60 +
Q. 41 – Respondent's job title: CSR professional Environment SHQE HSE H&S Other

The sample companies from which responses were received were operating within the highly regulated UK rail sector. Because of the formal standards and procedures of that sector, for example the Contractors' Assurance Case (RIAGB, 2003), these companies all had formal HSQE management systems. Therefore, the responses to the questions in Table 2.5.1 would show if the person responding to the questionnaire-based survey on behalf of the company was adequately qualified and responsible for managing CSR.

2.6 The research interview-based survey

Additional information was provided during the personal interviews after the questionnaire-based survey responses had been analysed. Personal contact provided a clearer understanding of each company's position concerning CSR management, so allowing each company's representative the

opportunity to describe the company position which in turn provided more relevant information. Of the twenty-five companies that responded to the questionnaire-based survey, nineteen agreed to be interviewed. Full interviewee contact details are provided in Appendix 4.

The respondents were all experienced in the UK rail sector and had responsibility for the management of CSR, health and safety or environmental management systems. The interviews were structured in an informal manner and were based on the questions previously asked in the questionnaire with further comments and clarification sought. This information was a personal interpretation of the company position and without evidence would be questionable in its reliability. The respondents were asked to supply evidence, for example internal reports, that would support their company's published annual reports. Full results of the questionnaire and interviews can be found in Appendices 2 and 3.

2.7 Ethical considerations

The research was carried out under conditions of the strictest confidentiality. Commercially sensitive areas were discussed and the interviewees were assured that no commercial advantage would be taken. Further ethical consideration, taken from Fox, included:

- Ensuring that the approach to potential respondents was in the most non-intrusive manner.
- Convincing the potential respondents on their anonymity at all times.
- Giving assurance that all the information the respondents submitted was handled in a sensitive way and would not affect the respondents in any adverse manner.
- Declaring measures taken to protect all the data against data-tampering.
- Valuing respondents' contribution to the survey by giving feedback on what was found from the research, (Fox, 2008).

2.8 Summary

This chapter provided a link to chapter one and explained the methodology chosen for the research. In addition, it has shown the methodology was appropriate and explained why the particular research method, interviews and a questionnaire-based survey were chosen in preference to others

considered. The approach used was empirical and based on experiments and experience from the results of the analysis identified by the survey. The questionnaire-based survey and interviews were conducted over a sample of CSR and environmental managers from the UK rail sector. The implementation of CSR was examined and responses analysed for patterns and trends. The chapter gave a clear impression of the research tactics employed and that the research was undertaken in an ethical manner.

The questionnaire-based survey aimed at identifying the current position and perceptions regarding CSR management within the UK rail sector. The aim of the research was to sample selected companies within the sector and not use randomly selected businesses representing a general overview of CSR development across all sectors. This chapter extended the argument that there was an evolution in the management of labour, human rights, supplier, customer, ecological and related stakeholder practices. In response to this the survey examined the selected UK rail sector companies in developing responsibility management systems to understand if there was a closer relationship between HSQE management and CSR. Comparisons will be made between the survey results and with the definition of CSR, in the UK rail sector, described in the summary to chapter 1:

Meeting the needs of the present without compromising the needs of future generations achieved through voluntary management of environmental, social and economic performance that meets or exceeds ethical, contractual, and stakeholder expectations.

The next chapter, chapter three, introduces and discusses the research problems, the author's contribution, and compares the results with other existing research in this area. Three previous studies, together with this research, are compared to understand if CSR initiatives can establish or improve reputations with investors, and can create or increase shareholder value in the UK rail sector. It examines the response to eight key questions that provided a contribution to the research and explores the original statement that managing CSR is essential in successful UK rail sector organisations.

Chapter 3.0 The Management of CSR in the UK rail sector: Research Results, Analysis and Discussion

3.1 Introduction

This chapter presents the results of the thesis including key points from the questionnaire-based survey evidence and the literature review which provide a link back to the five main research questions:

Research Question 1: *Who/what is the main driving force behind CSR initiatives in the UK rail sector: external stakeholders, employees, management or interested parties?*

Research Question 2: *What type of information, relevant and accessible to the stakeholder should be included in a CSR report?*

Research Question 3: *Should the CSR report contain environmental data only or social, health, safety and corporate governance/compliance data?*

Research Question 4: *Where external communication in the UK rail sector breaks down, to what extent is the impact of inaccurate information and loss of stakeholder confidence irretrievable?*

Research Question 5: *Is the management of CSR essential in successful UK rail sector organisations?*

This chapter discusses the research questions, the author's contribution to the field, and compares the results with other research in this area. The results consist of statements of observations, including statistics, tables and graphs. Negative results as well as positive are mentioned, and interpretation of the results discussed. The aim of this chapter is to present sufficient details so that readers can draw their own inferences and construct their own explanations while making it clear to the reader which statements are observations and which are interpretations.

The chapter is organised into 11 sections, covering inter alia: Results from the questionnaire-based survey (3.2), Results from the interviews (3.3), Discussion of the results of the literature review (3.4), Discussion of the results from the questionnaire-based survey (3.5), Interpretation of the results (3.6), Comparison with other research (3.7), Contribution to existing research (3.8), UK rail sector corporate reputation and public image (3.9), Change Management: Success factors and

3.2 Results from the questionnaire-based survey

Table 3.2.1 shows the results of the positive and negative responses to the individual questions. A negative response to the questions was when the respondent rejects the assumption made in the question, for example Question 1 asked to define CSR, did the respondents think it was social responsibility? Negative responses, in this case five, said no it was not. Question two asked if the actual and perceived benefits from CSR could be, for example, increased stakeholder confidence and again in this survey six respondents said no it could not. Question three looked for a simple yes or no reply, was your company active with respect to CSR? In this survey six gave a positive response and said they were active and five gave a negative response and said they were not.

Table 3.2.1 Results from the questionnaire-based survey

Question	Positive response	Negative response
1. Definitions/interpretations of CSR		
Social responsibility	20	5
Ethical responsibility	15	10
Environmental responsibility	18	7
Health & Safety responsibility	13	12
Economic responsibility	11	14
2. What are the actual and perceived benefits from CSR?		
Increased stakeholder confidence	12	6
Improved systems (SMS, QMS, EMS, etc.) management	15	7
Improved media and communication relationships	12	8
Reduction in employee sickness and absenteeism	2	11
Company seen as a market leader	12	7
Company more likely to win and retain contracts	8	11
3. How active is your company with respect to CSR?	6	5
4. To what extent do the following business considerations characterise CSR in your company?		
Management strategy.	9	6
Public Relations strategy.	8	4
Quality management.	8	9
Environmental management.	18	3
Risk management.	13	7
The natural way of doing business.	6	8
Charity and sponsoring good projects.	10	8
5. When was it apparent to you that your company was conscious of its wider responsibilities to the community?	84% (after 1995)	2% (pre 1995)
6. This (Q. 5.) was due to:		
A critical event (disaster, unforeseen event)	4	21
Aspirations of a strategic leader	8	17
Public expectations	9	16
Third party pressure (stakeholder)	8	17
The company has a long tradition of CSR reporting	2	23
7. How important is CSR in relation to the following business opportunities?		
Improved financial performance and access to capital (social investment funds).	5	10
Enhanced brand image and sales.	15	1
Attract and retain a quality workforce.	8	5
Improved decision making on crucial issues.	3	9
Managing risk more efficiently.	12	5

Reduced long-term costs.	7	10
Increased shareholder value.	9	3
Improved productivity through increased innovation and efficiency.	8	7
Moral considerations.	9	4
8. Does your company report on its negative impacts in its CSR reports, i.e. 'warts and all' reporting?	7	13
9. How would you characterise the level of CSR integration in the everyday functioning of your company?		
CSR is in every part of the organisation.	5	11
CSR is due to a dedicated department or team.	9	8
CSR is on the basis of reporting structures and procedures.	12	9
CSR is led and directed by the board of directors.	6	4
CSR is in the natural way of decision making.	3	17
10. Does your company use external stakeholders, employees, management or other interested parties, rather than the organisation, to drive CSR initiatives?	7	8
11. How would you characterise the following stakeholders' influence with regard to your company's decision-making process?		
Financiers.	12	6
Employees.	8	6
Customers.	21	2
Suppliers.	6	8
Communities.	8	8
Media.	9	9
Activists (NGOs).	2	15
Natural environment.	7	4
Competitors.	13	5
Government.	13	4
12. Do you prioritise stakeholders in any way?	5	13
13. What are the primary instruments your company uses to acquire external information (public opinion, stakeholder opinions, etc.) on environmental and social issues?		
Dedicated internal information system	8	17
Dedicated external information system	13	12
Reporting mechanisms	8	17
Stakeholder dialogue	13	12
Partnerships	7	18
Internal department, team, etc.	11	14
14. Who/what is the main driving force behind CSR in your company?		
Board of directors	19	6
Middle management	15	9
Employees	10	8
Government	4	2
NGOs	4	2
Community	7	9
External stakeholders	6	5
Other interested parties	0	6
15. To what extent is the impact of inaccurate information and the resulting loss of stakeholder confidence, which puts at risk corporate confidence, irretrievable?	3	10
16. Where does CSR become visible and noticeable in your company's documents?		
In a policy/mission statement.	5	5
Through social and environmental reporting.	14	5
Through internal guidelines.	11	6
Through practical policies.	12	6
Through ethical principles and related business values.	10	6
17. What type of information, relevant and accessible to the reader, should be included in a CSR report?		
Environmental incidents	21	4
H&S accident statistics	20	5
Working hours	14	11
Sickness and absenteeism records	12	13
Staff retention data	12	13
18. Should the CSR report contain just environmental data or social, health & safety and corporate governance and compliance within a risk management framework data, too?		
Environmental data only	1	0
Environmental and social data	3	0
Environmental, social, and H&S data	5	0
Environmental, social, H&S, and corporate governance/compliance/risk data	16	0
19. In your company, what instruments are implemented to facilitate CSR?		
Management Systems, such as specific standards (ISO 14000, ISO 9001, ISO 18000, SA 8000, EMAS)	24	0
Dedicated programs or projects	10	0
Partnerships with stakeholders (NGOs, communities, suppliers, etc)	12	0
Triple bottom line (economic, environmental and social) reporting, Global reporting initiative, etc.	3	0
External accountants involvement (independent verification of your company's data)	4	1
None	1	0
20. How would you characterise your company's triple bottom line reporting mechanisms and procedures?		
Systematic	7	0
As needed	8	0

Chapter 3

Occasional	4	0
Are these web or paper versions, and how do they compare?	1	0
Not yet implemented	5	0
21. Please rank the following business responsibilities from 1 to 8, beginning with the most important.		
To make profit	20	0
To protect the health and safety of our employees	23	0
To protect the environment	12	0
To listen to local citizens	0	21
To contribute to charities	0	23
To treat our employees equally	7	8
Not to participate in bribery and corruption	4	0
To behave socially responsible and provide transparency.	9	0
22. Can you measure the impact of CSR on your core business?	4	20
23. To what extent did the implementation of CSR change your company's core business?		
Improved waste management.	8	11
Reduced the number of environmental complaints. More efficient forms of production in practice.	6	14
More efficient usage of resources introduced.	3	15
Pollution incidents reduced.	7	9
Environmental, H&S, etc. prosecutions reduced.	10	12
Reduced the number of non-conformances from internal and external audits.	7	11
	10	11
24. Do you think that expectations (governments, public) on corporations with regard to CSR rose in the last decade?	17	2
25. If expectations rose very much, what were the responsible factors for this change?		
External pressure (NGOs, globalisation, etc.)	13	0
Internal pressure (employee motivation and recruiting incentives)	8	0
Productivity considerations	6	0
Governmental (legal) requirements	21	0
Disasters caused by business activity	6	0
Media coverage and campaigning	13	0
26. To what extent has your company's CSR strategy had an influence on supply chain management with regard to choice of suppliers?	4	17
27. Please say to what extent you agree with each of the following statements:		
The less the government intervenes in the economy, the better it is for my company.	9	16
The government should take measures to level the playing field for CSR engaging firms.	22	3
The government should provide incentives for engaging in CSR.	18	7
The government should raise social and environmental standards to increase pressure on laggards.	18	7
National governments should strive for binding international rules and laws.	20	5
Environmental legislation hinders the development of innovative CSR activities.	2	23
CSR can be seen as a replacement of public policy and public legislation should, therefore, be less restrictive.	4	21
Business initiatives are better able to improve social and environmental standards than governmental driven policies.	12	13
Business is the main force behind CSR; however, all efforts will not be sufficient without governmental support.	17	8
The private sector improves social and environmental standards enough.	3	22
28. Do you think that voluntary-led initiatives and market mechanisms are sufficient to mobilise the majority of companies to improve their ethical, social and environmental performance?	2	16
29. To what extent do you see a role for the government (public sector) to facilitate CSR in the private sector?	16	3
30. Which role do you think the public sector should have with respect to CSR distribution and development?		
Facilitator	12	0
Partner	11	0
Regulator	6	0
Educator	7	0
31. Please specify the extent to which legal requirements and other strategic considerations are important for your CSR activities:		
Immediate adaptation to new environmental legislation.	16	5
Increased investment in environmental measures in order to exceed legislative demands.	13	6
Trying to be ahead of environmental demands.	14	4
Open up new markets with eco-products.	10	14
Take into consideration environmentally conscious consumers.	10	7
32. Implemented CSR schemes by companies are generally welcomed by government. Do you see differences in how different layers of government (national, regional, local) support CSR reporting?	9	6
33. How important is governmental support in its different layers with respect to helping your business implementing CSR?		
International layer (EU, OECD)	6	11
National layer	9	6
Regional layer	8	11
Local layer	12	9
34. Rank the following governmental layers according to the number of contacts with your company		
International layer	4	21
National layer	13	12
Regional layer	16	9

Local layer	12	13
35. What would you say are the causes for these differences in governmental support with respect to different governmental layers? Governmental policies do not reach local authorities. Bureaucratic body is too static and inefficient. My company does not depend on all layers of government. My company does not need governmental support with regard to CSR.	6 17 15 11	19 8 10 14
36. Is the management of CSR in the UK rail sector essential in successful organisations?	19	6
37. Number of employees in your company (all sites):	<100 = 4	>100 = 21
38. How long have you been in your position?	<1year = 2	>10 years = 23
39. Did your company employ you before you held this position?	13	12
40. What is your age?	< 30 = 3	> 30 = 22
41. Your function/job description: Environment/Other	18	7

From the full questionnaire-based survey eight key questions were selected, and the answers from this research were compared with the answers from comparable questions from previous research surveys in this area. The eight key questions were selected to better demonstrate the development of CSR in the UK rail sector that relies on the one main client, Network Rail, for all of its work. The questions selected were carefully chosen to critically examine the level of commitment to CSR by Network Rail and the UK rail sector contractors taking part in the survey. The eight questions were preferred over the others in the full questionnaire-based survey to ascertain a UK rail sector position on CSR management, and starts with questions on:

- (1) Understanding the definition of CSR,
- (2) The actual benefits of CSR,
- (3) Importance of CSR to business opportunities,
- (4) The level of CSR integration in the UK rail sector,
- (5) Motivation - the main driving force behind CSR in the UK rail sector,
- (6) Implementation - what instruments are implemented to facilitate CSR in the UK rail sector,
- (7) What are the most important business responsibilities of CSR in the UK rail sector,
- (8) The level of agreement for CSR.

The responses from the eight key questions provided the following results, the original questionnaire-based survey question numbers are shown in brackets:

1. Which of the many definitions of CSR best describes the view of your company? (Q1)

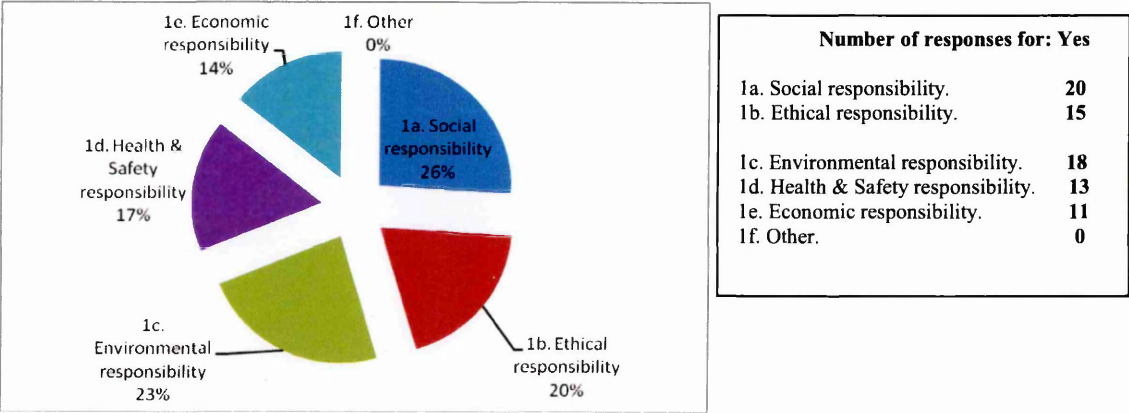


Figure 3.2.1 Results showing definitions that best describe CSR.

2. What was the actual benefit, true and tangible, and the perceived benefit, but not proven, from CSR? (Q2)

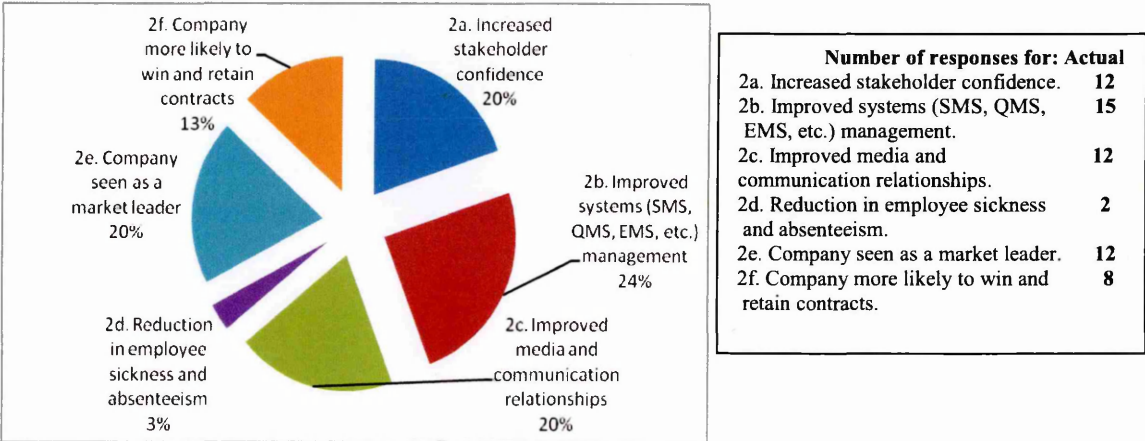


Figure 3.2.2 Results showing the actual benefits of CSR.

3. How important is CSR in relation to business opportunities? (Q7)

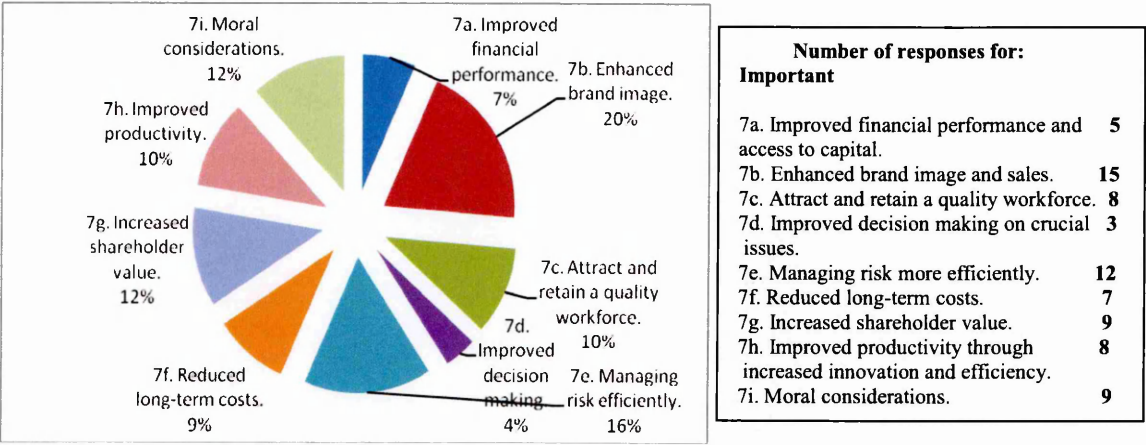


Figure 3.2.3 Results showing the importance of CSR to business opportunities.

4. How do you characterize the level of CSR integration? (Q9)

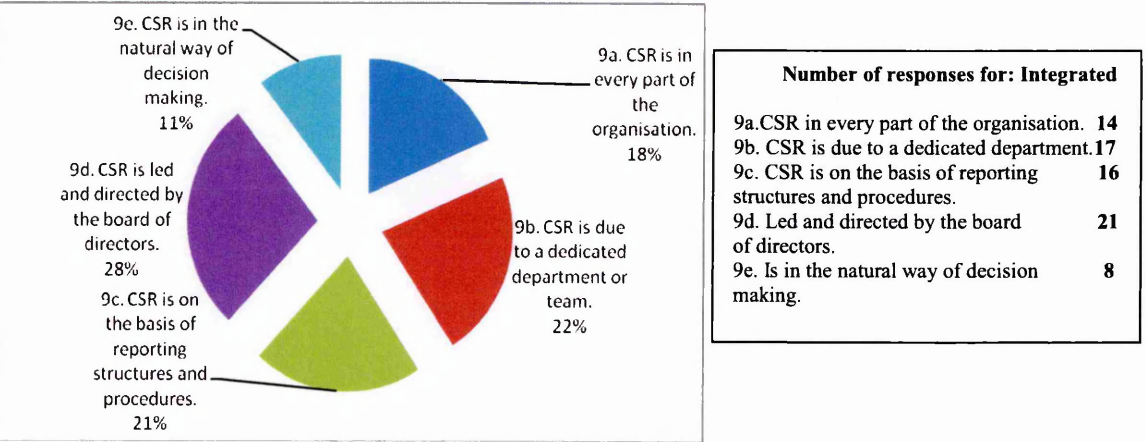


Figure 3.2.4 Results showing the level of integration.

5. Who/what is the main driving force behind CSR? (Q14)

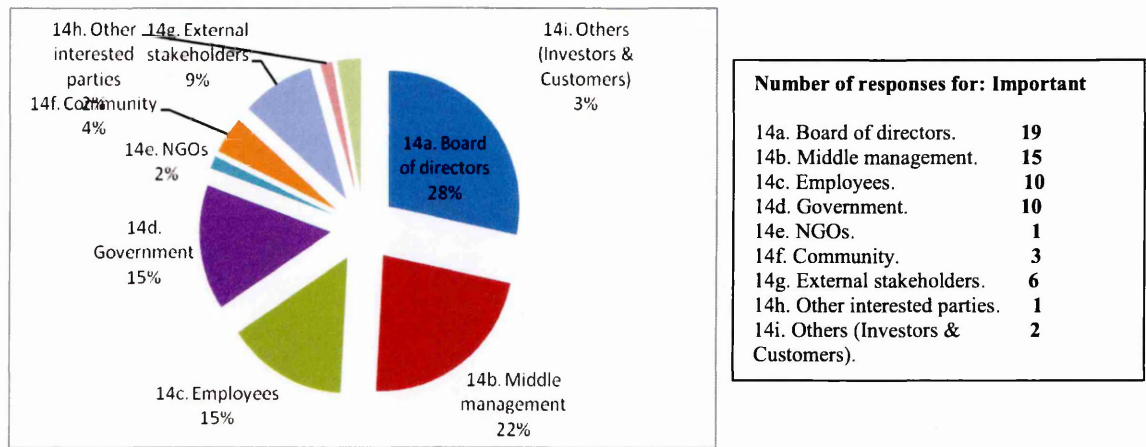


Figure 3.2.5 Results showing the main driving forces behind CSR.

6. How does triple-bottom line reporting assist CSR implementation? (Q19)

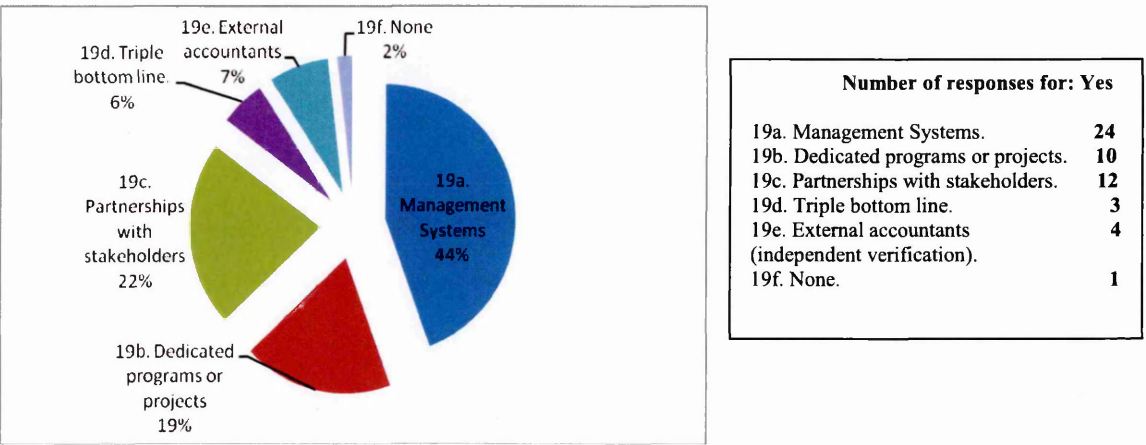


Figure 3.2.6 Results showing what instruments are implemented to facilitate CSR.

7. What are the most important business responsibilities of CSR? (Q21)

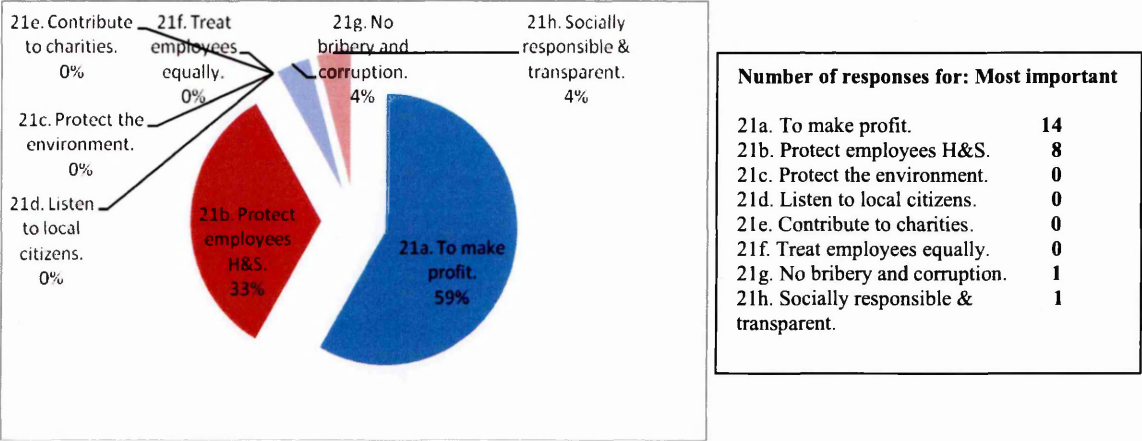


Figure 3.2.7 Results showing the most important business responsibilities of CSR.

8. Is the management of CSR in the UK rail sector essential in successful organisations? (Q36)

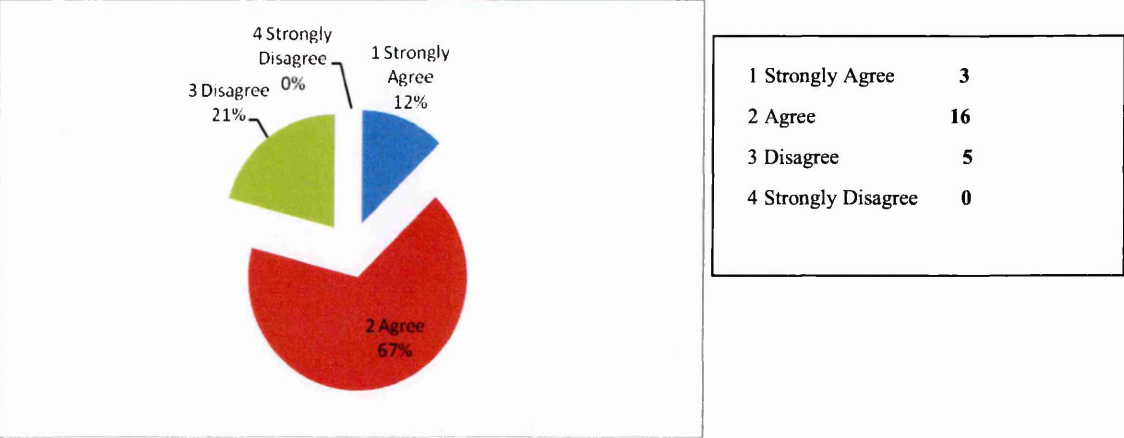


Figure 3.2.8 Results showing the level of agreement for CSR.

3.3 Results from the interviews

This section is based on the results of the additional information provided during the personal interviews. From the twenty-five companies that responded to the questionnaire-based survey, nineteen respondents agreed to be interviewed. The respondents were all experienced in the UK rail sector and had responsibility for the management of CSR, health and safety or environmental management systems. The interviews were structured in an informal manner and were based on the questions asked in the questionnaire with further comments and clarification sought. Responses to specific questions raised in the questionnaire-based survey and at the interviews follow, it should be noted all questions were responded to in the survey but some questions did not receive answers or comments in the interviews. Also, only eight of the nineteen interviewed provided additional comments, with Respondents 1 and 2 providing the most.

Question 1. Of the many definitions/interpretations of CSR, what is your view or that of your company?

Respondent 1. 'CSR represents a range of behaviours that reflect upon the company, including environmental, social, ethical and economic'.

Question 3. How active is your company with respect to CSR? (Please reference or provide evidence: i.e. CSR Report, Statement, etc. and what influences you to make this judgment?)

Respondent 1. 'We publish Environmental Policy, H&S Policy, and Ethical & Sustainability Policy'.

Respondent 2. 'Full CR agenda set out in Annual Report'.

Respondent 3. 'Annual Environmental Reporting'.

Respondent 4. '14001 certified. Flora & Fauna Manual – working on railway. Environmental processes, procedures which control environmental impacts. Environmental audits/Environmental Policy'.

Respondent 5. 'CSR Reports, presentations to external audiences, engagement with benchmarking exercises such as BiTC, listing in indices such as Dow Jones, Sustainability Index and FTSE4Good'.

Respondent 6. 'Due to Corporate Governance requirements'.

Respondent 7. 'BB Group and BB Capital both produce CSR Reports, annually'.

Question 5. When was it apparent to you that your company was conscious of its wider responsibilities to the community?

Respondent 1. 'It has always been there; this is evolution not revolution'.

Respondent 2. 'It has always been a local company (privately owned)'.

Respondent 3. '3 to 4 years ago'. (2001 to 2002).

Respondent 4. 'Since its inception in 1995'.

Respondent 5. 'Immediately on joining'.

Respondent 6. 'When writing environment policy'.

Respondent 7. 'Since the inception of Network Rail but certainly in the past 12 months'.

Question 6. This (Q. 5) was due to:

Respondent 1. 'ISO 14001 and OHAS 18001 certification programme'.

Respondent 2. 'Network Rail (NWR)'.

Respondent 3. 'Requirement to comply with legislation'.

Question 8. Does your company report on its negative impacts in its CSR reports, i.e. 'warts and all' reporting? (If so, please reference or supply examples).

Respondent 1. 'CSR report on website taylorwoodrow.com for accidents (H&S) and incidents (environmental)'.

Respondent 2. 'Yes, CSR Report 2005 www.atkinsglobal.com'.

Respondent 3. 'Yes, environmental reporting including customer complaints, energy consumption etc'.

Question 10. Does your company use external stakeholders, employees, management or other interested parties, rather than the organisation, to drive CSR reporting initiatives

Respondent 1. 'Public opinion'.

Question 12. Do you prioritise stakeholders in any way? (If so, how do you do so?).

Respondent 1. 'Yes, but not in any formal way, with customers and shareholders at the top followed by employees'.

Respondent 2. 'Key clients are government funded'.

Respondent 3. 'No formal prioritisation'.

Respondent 4. 'Employees and customers identified as key stakeholder parties'.

Question 13. What are the primary instruments your company uses to acquire external information (public opinion, stakeholder opinions, etc.) on environmental and social issues?

Respondent 1. 'Various including investment community, customers and government'.

Respondent 2. 'Quality Management Systems/EMS'.

Respondent 3. Not really applicable – Network Rail does not really have an integrated CSR strategy/policy.

Question 14. Who/what is the main driving force behind CSR in your company?

Respondent 1. 'Investment community (External stakeholders are most important and NGOs the least).

Respondent 2. 'Customer'.

Question 15. To what extent is the impact of inaccurate information and the resulting loss of stakeholder confidence, which puts at risk corporate confidence, irretrievable?

Respondent 1. '? No idea'.

Question 16. Where does CSR become visible and noticeable in your company's documents?

Respondent 1. 'All available on our website'.

Respondent 2. 'Environment policy'.

Respondent 3. 'Please note that although GrantRail do not have a CSR Statement – Performance Reports along with forecasting business improvements is sent to shareholders quarterly'.

Question 17. What type of information, relevant and accessible to the reader, should be included in a CSR report?

Respondent 1. 'Possibly sickness and absenteeism records and staff retention data'.

Respondent 2. 'Environmental incidents, H&S accident statistics, Working hours, Sickness and absenteeism records, Staff retention data – We report on this/review it at our 4-weekly meetings – Safety/Quality/Environmental etc'.

Respondent 3. 'Charity work'.

Respondent 4. 'Community interaction, Awards, Sector initiatives, Supplier and Contractor management'.

Respondent 5. 'Environmental incidents, H&S accident statistics, Working hours, Sickness and absenteeism records, Staff retention data – none'.

Respondent 6. 'Complaints, awards, objectives & targets, community issues'.

Question 18. Should the report contain just environmental data or social, health & safety, and corporate governance and compliance within a risk management framework data, too?

Respondent 1. 'Yes, although we currently include governance in our annual report & accounts'.

Question 19. In your company, what instruments are implemented to facilitate CSR?

Respondent 1. 'Yes ISO 14001 & ISO 9001. We are audited in all areas (financial annually) very regularly by our clients/customers and external bodies'.

Respondent 2. 'ISO 9001 & 1800 UKAS certificated – ISO 14001 in process of certification'.

Question 20. How would you characterise your company's triple bottom line reporting mechanisms and procedures?

Respondent 1. 'Paper version'.

Respondent 2. 'Internally & externally'.

Question 21. Please rank the following business responsibilities from 1 to 8, beginning with the most important. (21a To make profit. 21b To protect the health and safety of our employees. 21c To protect the environment. 21d To listen to local citizens. 21e To contribute to charities. 21f To treat our employees equally. 21g Not to participate in bribery and corruption. 21h To behave socially responsible and provide transparency).

Respondent 1. 'Not to participate in bribery and corruption. If do '21h' (To behave socially responsible and provide transparency) cancels this out'.

Question 22. Can you measure the impact of CSR on your core business?

Respondent 1. 'Yes, but with difficulty, as many indicators are not easily linked with sales and costs'.

Respondent 2. 'Yes, in some instances (e.g. accidents, incidents, working hours, pay, and employees' surveys)'.

Question 23. To what extent did the implementation of CSR change your company's core business?

Respondent 1. 'Not an easy question to answer as I don't find it easy to differentiate between 'CSR' and 'good management'. Evolution not revolution'.

Respondent 2. 'Pollution incidents reduced. Environmental, H&S etc. prosecutions reduced – Not had any'.

Respondent 3. 'Reduced the number of non-conformances from internal and external audits – Do not get very many, if at all'.

Question 25. Do you think that expectations (governments, public) on corporations with regard to CSR reporting rose in the last decade and if they did what were the responsible factors for this change?

Respondent 1. 'Investment community interest'.

Question 26. To what extent has your company's CSR strategy had influence on supply chain management with regard to choice of suppliers?

Respondent 1. 'Some influence but other drivers remain key. Again, difficult to answer as I don't find it easy to differentiate between 'CSR' and good management'.

Respondent 2. 'Re-evaluated supply chain requirements'.

Question 27. Please say to what extent you agree with each of the following statements:

27a The less the government intervenes in the economy, the better it is for my company.

27b The government should take measures to level the playing field for CSR engaging firms.

27c The government should provide incentives for engaging in CSR. 27d The government should raise social and environmental standards to increase pressure on laggards. 27e National

governments should strive for binding international rules and laws. 27f Environmental legislation hinders the development of innovative CSR activities. 27g CSR can be seen as a replacement of public policy and public legislation should, therefore, be less restrictive. 27h Business initiatives are better able to improve social and environmental standards than governmental driven policies.

27i Business is the main force behind CSR; however, all efforts will not be sufficient without

governmental support. 27j The private sector improves social and environmental standards enough.

Respondent 1. '27a – 'Neutral' really'.

Respondent 2. 'Neither Agree nor Disagree'.

Question 28. Do you think that voluntary-led initiatives/market mechanisms are sufficient for the majority of companies to improve their ethical, social and environmental performance?

Respondent 1. 'Not at the moment, customers are not demanding ethical, social and environmental performance (in general)'.

Question 32. Implemented CSR schemes by companies are generally welcomed by government.

Do you see differences in how different layers of government support CSR reporting?

Respondent 1. 'Don't know'.

Respondent 2. 'Local support is more evident than national support on environmental issues'.

Respondent 3. 'Local government sometimes struggles to implement schemes effectively'.

Question 35. What would you say are the causes for these differences in governmental support with respect to different governmental layers?

Respondent 1. 'They reach them but many do nothing about it'.

Question 37. Number of employees in your company (all sites)?

Respondent 1. 'Global 44,000. Transport 8000'.

Respondent 2. '54'.

Respondent 3. '98'.

Question 41. Your function/job description?

Respondent 1. 'Account Director'.

Respondent 2. 'Assurance Manager'.

Respondent 3. 'Supervisor Engineering & Safety'.

Respondent 4. 'Group QSE Specialist'.

Respondent 5. 'M.D'.

Respondent 6. 'Safety & Compliance Manager'.

Respondent 7. 'HSQE Manager'.

Respondent 8. 'HSQE Manager'.

Respondent 9. 'Safety & Compliance Manager'.

3.4 Discussion of the results of the literature review

The results of the literature review provide a mix of positive and negative comments regarding the management of CSR.

3.4.1 Positive comments for the management of CSR in the UK rail sector

The results from the literature review contain a number of positive phrases that endorse the idea of CSR in the UK rail sector, these include:

Sustainable development

- CSR maintains a 'licence to operate'.
- Social responsibility is responsibility of an organisation for the impacts of its decisions and activities on society and the environment through transparent and ethical behaviour that contributes to sustainable development.
- CSR is the commitment of business to contribute to sustainable economic development.
- CSR is generally seen as the business contribution to sustainable development.
- CSR is the pursuit of economic, social and environmental sustainability.
- There is an increasing recognition that good environmental performance makes good business sense.
- The total CSR perspective include environmental sustainability, sustainable development, sustainability, strategic philanthropy, corporate governance and strategic corporate social responsibility.

This supports the working definition of CSR in the UK rail sector first introduced in the summary to chapter 1:

Meeting the needs of the present without compromising the needs of future generations achieved through voluntary management of environmental, social and economic performance that meets or exceeds ethical, contractual, and stakeholder expectations.

Shareholders and stakeholders

- CSR is a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis.
- CSR is the overall relationship of the corporation with all of its stakeholders.
- CSR is defined as the integration of business operations and values, whereby the interests of all stakeholders are reflected in the company's policies and actions.
- CSR is concerned with treating the stakeholders of the firm ethically or in a socially responsible manner.
- CSR is a term describing a company's obligation to be accountable to all of its stakeholders in all its operations and activities.
- In general, corporate sustainability and CSR refer to company activities – voluntary by definition – demonstrating the inclusion of social and environmental concerns in business operations and in interactions with stakeholders.
- CSR is how you treat your employees and all your stakeholders and the environment.

Treating all stakeholders fairly and in an ethically and socially responsible manner is priority requirement of CSR.

Society, ethics and economics

- CSR is the continuing commitment by business to behave ethically and contribute to economic development.
- CSR is business decision making links to ethical values.
- Global CSR can be defined as business practices based on ethical values and respect for workers, communities and the environment.
- CSR recognizes that the private sector's wider commercial interests require it to manage its impact on society and the environment in the widest sense.
- CSR has been defined as a 'contract' between society and business wherein a community grants a company a license to operate and in return the matter meets certain obligations and behaves in an acceptable manner.

- CSR is about understanding your business' impact on the wider world and considering how you can use this impact in a positive way.
- Professional ethics and CSR includes H&S performance and accidents statistics.

Without the social contract and licence to operate, provided by CSR, companies in the UK rail sector can find it difficult to win contracts from Network Rail.

Legal, Standards and other UK rail sector requirements

- By ignoring the legal context or viewing CSR measures as merely voluntary a corporation can expose itself to clear financial and legal liability.
- CSR is about businesses and other organizations going beyond the legal obligations to manage the impact they have on the environment and society.
- UK rail sector organisations are being exhorted by Network Rail to respond positively to the challenge of CSR.
- CSR is the degree of moral obligation that may be ascribed to corporations beyond simple obedience to the laws of the state.
- CSR is the voluntary assumption by companies of responsibilities beyond purely economic and legal responsibilities.
- The United Nations Global Compact.
- AA1000 an accountability standard.
- ISO 14001 the environmental management system standard.
- SA8000 was the social accountability standard.
- Network Rail, Line Standard RT/LS/S/015 Contract Requirements-Environment.

Network Rail have made it very clear UK rail sector companies should respond positively to the challenge of CSR.

3.4.2 Negative comments

The results from the literature review contain a number of negative comments that oppose the idea of CSR in the UK rail sector; these include:

Sustainable development

- Ingrained corporate culture and lack of appropriate corporate governance structures and training lead even the most well-intentioned corporation to fail on living up to their own codes of conduct.

Shareholders and stakeholders

- AMEC said they were committed to corporate governance and environmental improvements but also recognised their responsibility to achieve business objectives for their shareholders.
- Arriva's values were focused on their stakeholders, but were also committed to CSR.

Society, ethics and economics

- Jarvis were trying to balance good CSR practices against commercial interests.
- Balfour Beatty tried to balance financial performance against safety, health and environment, the community, integrity, continuous improvement, ethical and good corporate governance framework.
- Network Rail seeks to be as inclusive as possible by working with local people and interest groups.
- Taylor Wimpey said it makes a profit in order that it can continue to operate, to employ people.
- CSR has failed in its attempt to compel UK rail sector companies to behave responsibly.

Legal, Standards and other UK rail sector requirements

- There are more than 400 documents of relevance to one or more parts of CSR.
- Sector specific supplementary reporting guidelines have been developed by GRI for electric utilities, financial services, and mining and metals. Supplementary guidelines are also under development or in pilot phases for several other sectors.

3.4.3 Positive versus negative comments

The results from the literature review contain both positive and negative opinions of CSR, but the positive comments far outweigh the negative. The major positive patterns emerging in the observations are that to be successful UK rail sector organisations have to respond positively to the challenge of managing CSR. For a business to be successful in this sector, in the long term, it has to create value, not only for its shareholders, but also for society. CSR can help maintain a licence to operate and is the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large. While accepting that a business to be successful it must make a profit CSR is about going beyond the legal obligations to manage the impact they have on the environment and society. In particular, this could include how UK rail sector organisations interact with their employees, suppliers, customers and the communities in which they operate, as well as the extent they attempt to protect the environment.

Whereas the negative patterns that emerged included the observations that CSR can be expensive and can adversely impact on profits and that there is no definitive standard or guideline but a whole raft of confusing documents and reporting guidelines. A pattern of conflict also emerged with some of the rail companies giving a higher priority to commercial interests than to good CSR practices.

3.5 Discussion of the results from the questionnaire-based survey

Table 3.5.1 contains the analysis of the results of the survey with some distinctive patterns emerging. However, whether these patterns can be generalisable or regarded as statistically significant is another matter. According to Abeyasekera (2003), in situations where sample size is adequate and the sample has been appropriately selected to represent the target population of interest, the application of statistical methods will provide greater validity to research conclusions. In the case of this research, however, it should be remembered that the sample numbers and corresponding responses to individual questions are very low, suggesting that any statistical analysis could be misleading and result in potentially dubious conclusions being drawn.

As Abeyasekera (2003) emphasises, in discussing statistical analysis approaches to qualitative data

‘... it is important to recognise that proceeding beyond straightforward data summaries and graphical presentations to formal statistical procedures and tests of significance has little value in helping research conclusions if sampling issues have not been appropriately addressed in the sample selection. One issue is whether the sample size gives an adequate representation of the communities being targeted for study... How large a sample is needed will depend on the specific objectives of the study’. Since this research is very much an initial exploratory qualitative study of the management of CSR in the UK rail sector, there is no intention that its results should be interpreted as generalisable to the views and opinions of all managers of CSR. The sample was selected based on expert judgement rather than some notion of a representative sample, meaning that tests of statistical inference – including non-parametric tests appropriate to this type of research – have, as Abeyasekera (2003) stresses, a fundamentally limited application. In exploring the results of the survey and their interpretation, therefore, these cautionary comments should be borne in mind.

Table 3.5.1 Analysis of the results of the questionnaire-based survey.

Question	Positive response	Negative response	Analysis
1. Definitions/interpretations of CSR - Social responsibility - Ethical responsibility Environmental responsibility Health & Safety responsibility Economic responsibility	20 15 18 13 11	5 10 7 12 14	Social, ethical, environmental and H&S responsibilities are most popular with economic responsibility getting a slightly negative response. An example comment that typified this was: ‘a range of behaviours that reflect the company, including environmental, ethical and economic.’
2. What are the actual and perceived benefits from CSR? – Increased stakeholder confidence Improved systems (SMS, QMS, EMS, etc.) management Improved media and communication relationships Reduction in employee sickness and absenteeism Company seen as a market leader Company more likely to win and retain contracts	12 15 12 2 12 8	6 7 8 11 7 11	A pattern of positive improvements was found particularly in HSQE systems management.
3. How active is your company with respect to CSR?	6	5 (14 don’t know)	The emerging pattern was that the majority (14) did not know how active their company was. But the trend for the companies that were active was that they were very active with CSR Reports, CSR presentations, engaging with BiTC, Dow Jones Sustainability Index & FTSE4Good.
4. To what extent do the following business considerations characterise CSR in your company? Management strategy. Public Relations strategy. Quality management. Environmental management. Risk management. The natural way of doing business. Charity and sponsoring good projects.	9 8 8 18 13 6 10	6 4 9 3 7 8 8	A correlation between this question and Q. 1 was seen with the high number of positive responses for environmental responsibility and for environmental management as the most important business consideration in this question.

Chapter 3

5. When was it apparent to you that your company was conscious of its wider responsibilities to the community?	84% (after 1995)	2% (pre 1995)	The trend identified was that most companies engaged with CSR after rail privatisation in 1996.
6. This (Q. 5.) was due to: A critical event (disaster, unforeseen event) Aspirations of a strategic leader Public expectations Third party pressure (stakeholder) The company has a long tradition of CSR reporting	4 8 9 8 2	21 17 16 17 23	The low positive response identified a trend of companies engaging with CSR was just beginning due to public expectations and third party pressure particularly from Network Rail when inviting companies to tender for contracts.
7. How important is CSR in relation to the following business opportunities? Improved financial performance and access to capital (social investment funds). Enhanced brand image and sales. Attract and retain a quality workforce. Improved decision making on crucial issues. Managing risk more efficiently. Reduced long-term costs. Increased shareholder value. Improved productivity through increased innovation and efficiency. Moral considerations.	5 15 8 3 12 7 9 8 9	10 1 5 9 5 10 3 7 4	The pattern identified here was CSR improved public image. This was also identified in Q. 2 with improved media and communication relationships, increased stakeholder confidence and the company seen as a market leader. CSR was therefore regarded as an important communication tool.
8. Does your company report on its negative impacts in its CSR reports, i.e. 'warts and all' reporting?	7	13	The trend identified in this question was that most companies did not include all the negative issues in its CSR Report.
9. How would you characterise the level of CSR integration in the everyday functioning of your company? CSR is in every part of the organisation. CSR is due to a dedicated department or team. CSR is on the basis of reporting structures and procedures. CSR is led and directed by the board of directors. CSR is in the natural way of decision making.	5 9 12 6 3	11 8 9 4 17	A mostly negative response demonstrated a pattern of non-integration particularly across every part of the organisation and that CSR is not the natural way of decision making.
10. Does your company use external stakeholders, employees, management or other interested parties, rather than the organisation, to drive CSR initiatives?	7	8	The pattern here indicated that companies employ a variety of ways to drive CSR initiatives.
11. How would you characterise the following stakeholders' influence with regard to your company's decision-making process? Financiers. Employees. Customers. Suppliers. Communities. Media. Activists (NGOs). Natural environment. Competitors. Government.	12 8 21 6 8 9 2 7 13 13	6 6 2 8 8 9 15 4 5 4	Customers, (almost solely Network Rail), Competitors, (competing for contracts from Network Rail), and Government, (Network Rail is often regarded as a department of Government as was British Rail) scored highly setting the pattern that Network Rail is the stakeholder with the most influence.
12. Do you prioritise stakeholders in any way?	5	13	A negative response but the responses to Q. 11 show that companies do prioritise stakeholders and that the main stakeholder is Network Rail.
13. What are the primary instruments your company uses to acquire external information (public opinion, stakeholder opinions, etc.) on environmental and social issues? Dedicated internal information system Dedicated external information system Reporting mechanisms Stakeholder dialogue Partnerships Internal department, team, etc.	8 13 8 13 7 11	17 12 17 12 18 14	Partnerships usually with Network Rail and other contractors, for example civil engineers and signalling engineers, was the pattern that emerged. Environmental and social information was acquired from these partnering arrangements through invitations to tender and Network Rail's Standard - Contract Requirements – Environment.
14. Who/what is the main driving force behind CSR in your company? Board of directors Middle management Employees Government NGOs Community External stakeholders Other interested parties	19 15 10 4 4 7 6 0	6 9 8 2 2 9 5 6	The trend emerging in this question is CSR is driven by the directors and management. This was also evident in Q. 5 and 6 when companies became conscious of their wider responsibilities to the community and engaging with CSR was just beginning due to growing public expectations and third party pressure demonstrated by this reaction from the board of directors and management.
15. To what extent is the impact of inaccurate information and the resulting loss of stakeholder confidence, which puts at risk corporate confidence, irretrievable?	3	10	A small minority thought that the loss of stakeholder confidence could be retrieved but the growing trend from the responses was that it could not.
16. Where does CSR become visible and			A pattern emerged that CSR was visible in

Chapter 3

noticeable in your company's documents? In a policy/mission statement.	15	5	policy statements and Reports. Further endorsed by the responses in Q. 2 - improved media and communication relationships.
Through social and environmental reporting.	14	5	
Through internal guidelines.	11	6	
Through practical policies.	12	6	
Through ethical principles and related business values.	10	6	
17. What type of information, relevant and accessible to the reader, should be included in a CSR report? Environmental incidents	21	4	A correlation between this question and Q. 18 and 19 exists with a strong relationship between environmental, H&S, social and governance issues included in CSR and that HSQE management systems do help with the implementation of CSR.
H&S accident statistics	20	5	
Working hours	14	11	
Sickness and absenteeism records	12	13	
Staff retention data	12	13	
18. Should the report contain just environmental data or social, health & safety and corporate governance and compliance within a risk management framework data, too? Environmental data only	1	0	See Q. 17. A positive response to this question with comments such as 'currently include governance in our annual report & accounts'.
Environmental and social data	3	0	
Environmental, social, and H&S data	5	0	
Environmental, social, H&S, and corporate governance/compliance data	16	0	
19. In your company, what instruments are implemented to facilitate CSR? Management Systems, such as specific standards (ISO 14001, ISO 9001, OHSAS 18001, SA 8000, EMAS)	24	0	See Q. 17. Again a positive response with comments such as 'Yes ISO 14001 & ISO 9001. We are audited in all areas (financial annually) very regularly by our clients/customers and external bodies'. 'ISO 9001 & OHSAS 18001 UKAS certified - ISO 14001 in process of gaining certification'.
Dedicated programs or projects	10	0	
Partnerships with stakeholders (NGOs, communities, suppliers, etc)	12	0	
Triple bottom line (economic, environmental and social) reporting, Global reporting initiative, etc.	3	0	
External accountants involvement (independent verification of your company's data)	4	0	
None	1	1	
20. How would you characterise your company's triple bottom line reporting mechanisms and procedures? Systematic	7	0	A pattern emerged that triple bottom line reporting is not yet universally adopted in UK rail sector companies. Although Network Rail and the larger contractors do report on environmental, social and economic performance.
As needed	8	0	
Occasional	4	0	
Are these web or paper versions, and how do they compare?	1	0	
Not yet implemented	5	0	
21. Please rank the following business responsibilities from 1 to 8, beginning with the most important. To make profit	20	0	Although 'to make a profit' is still a major business consideration a growing trend to protect the health and safety of employees was discovered. The majority negative response to 'listen to local citizens' is opposite to the responses in Q. 2 - improve media and communication relationships.
To protect the health and safety of our employees	23	0	
To protect the environment	12	0	
To listen to local citizens	0	21	
To contribute to charities	0	23	
To treat our employees equally	7	8	
Not to participate in bribery and corruption	4	0	
To behave socially responsible and provide transparency	9	0	
22. Can you measure the impact of CSR on your core business?	4	20	The pattern quite clearly emerged that the impact of CSR cannot be measured.
23. To what extent did the implementation of CSR change your company's core business? Improved waste management.	8	11	A mixed and confused mainly negative pattern was seen in this question with some companies responding to 'pollution incidents reduced' for example and nearly the same number saying the opposite.
Reduced the number of environmental complaints.	6	14	
More efficient forms of production in practice.	3	15	
More efficient usage of resources introduced.	7	9	
Pollution incidents reduced.	10	12	
Environmental, H&S, etc. prosecutions reduced.	7	11	
Reduced the number of non-conformances from internal and external audits.	10	11	
24. Do you think that expectations (governments, public) on corporations with regard to CSR reporting rose in the last decade?	17	2	The growing trend was that Government and public expectations with regard to CSR had risen in the last decade.
25. If expectations rose very much, what were the responsible factors for this change? External pressure (NGOs, globalisation, etc.)	13	0	Again the trend indicated here was Governmental requirements were responsible for this change.
Internal pressure (employee motivation and recruiting incentives)	8	0	
Productivity considerations	6	0	

Chapter 3

Governmental (legal) requirements	21	0	
Disasters caused by business activity	6	0	
Media coverage and campaigning	13	0	
26. To what extent has your company's CSR strategy had an influence on supply chain management with regard to choice of suppliers?	4	17	The pattern of responses indicated that CSR strategy had some influence but other drivers such as approval to supply to the UK rail sector determined choice of suppliers.
27. Please say to what extent you agree with each of the following statements: The less the government intervenes in the economy, the better it is for my company. The government should take measures to level the playing field for CSR engaging firms. The government should provide incentives for engaging in CSR. The government should raise social and environmental standards to increase pressure on laggards. National governments should strive for binding international rules and laws. Environmental legislation hinders the development of innovative CSR activities. CSR can be seen as a replacement of public policy and public legislation should, therefore, be less restrictive. Business initiatives are better able to improve social and environmental standards than governmental driven policies. Business is the main force behind CSR; however, all efforts will not be sufficient without governmental support. The private sector improves social and environmental standards enough.	9 22 18 18 20 2 4 12 17 3	16 3 7 7 5 23 21 13 8 22	A correlation exists between governmental intervention with legislation and the development of CSR in the UK rail sector. The pattern emerging is that CSR requires legislation to aid development and adoption and that this will not happen if left to voluntary initiatives in the private sector.
28. Do you think that voluntary-led initiatives and market mechanisms are sufficient to mobilise the majority of companies to improve their ethical, social and environmental performance?	2	16	See Q. 27 Comment from a respondent: 'Not at the moment, customers are not demanding ethical, social and environmental performance'.
29. To what extent do you see a role for the government (public sector) to facilitate CSR reporting in the private sector?	16	3	A very positive response for the government to facilitate CSR in the UK rail sector.
30. Which role do you think the public sector should have with respect to CSR distribution and development? Facilitator Partner Regulator Educator	12 11 6 7	0 0 0 0	Again a very positive response for the government to facilitate CSR in the UK rail sector and act as a partner.
31. Please specify the extent to which legal requirements and other strategic considerations are important for your CSR activities: Immediate adaptation to new environmental legislation. Increased investment in environmental measures in order to exceed legislative demands. Trying to be ahead of environmental demands. Open up new markets with eco-products. Take into consideration environmentally conscious consumers.	16 13 14 10 10	5 6 4 14 7	Compliance with new environmental legislation and with environmental demands such as Network Rail's Contract Requirements was the main considerations here.
32. Implemented CSR schemes by companies are generally welcomed by government. Do you see differences in how different layers of government (national, regional, local) support CSR reporting?	9	6	Some, but not a lot of difference was identified.
33. How important is governmental support in its different layers with respect to helping your business implementing CSR reporting? International layer (EU, OECD) National layer Regional layer Local layer	6 9 8 12	11 6 11 9	The trend was towards local governmental support followed by national and regional.
34. Rank the following governmental layers according to the number of contacts with your company International layer National layer Regional layer Local layer	4 13 16 12	21 12 9 13	National, regional and local were the main governmental contacts with very little international.
35. What would you say are the causes for these differences in governmental support with respect to different governmental layers?			A split pattern emerged with this question, some respondents suggesting governmental support is too bureaucratic and did not depend

Governmental policies do not reach local authorities. Bureaucratic body is too static and inefficient. My company does not depend on all layers of government. My company does not need governmental support with regard to CSR.	6 17 15 11	19 8 10 14	on its support others said they need this support with regard to CSR. This response contradicts some of the responses seen in Q. 27 to Q. 31. Clearly identifying that there is still some debate to be had on Government's involvement with the development of CSR in the UK rail sector.
36. Is the management of CSR in the UK rail sector essential in successful organisations?	19	6	The general trend was that the management of CSR in the UK rail sector is essential in successful companies.
37. Number of employees in your company (all sites):	<100 = 4	>100 = 21	The pattern that emerged from the following questions Q. 37 to Q. 41 showed that most respondents work for a large company that manage environmental, social and economic performance, that meets ethical, contractual and stakeholder expectations.
38. How long have you been in your position?	<1 year = 2	>1 year = 23	The average length in this position was 10 years.
39. Did your company employ you before you held this position?	13	12	Half joined their company for this environmental role.
40. What is your age?	< 30 = 3	> 30 = 22	Aged between 30 and 60.
41. Your function/job description: Environment/Other	18	7	'Environment' is in most (72%) job titles.

The conclusion from the trends emerging from the above survey responses indicate that CSR development in the UK rail sector is in its early days and is disjointed, but there is a commitment to succeed. Most companies rely on legislation and government to lead on CSR whereas a minority believe market forces and third party pressure would ensure universal acceptance and adoption of CSR within this sector. This view is supported and reinforced with every annual CSR Report published by Network Rail increasingly demanding ethical, social and environmental commitment from its contractors. Because CSR in this sector is in its infancy it is difficult to tell what effect it has had on the success of companies gaining contracts from Network Rail, although the findings from this research is that this commitment, together with certified HSQE management systems, is essential. The pattern quite clearly emerged that the impact of CSR cannot yet be measured, but because of Network Rail's influence in this sector this will inevitably change. Some companies are already beginning to report on CO2 emissions, environmental incidents, staff turnover, waste recycled, as well as accident statistics and financial data in their annual reports, and this trend is likely to increase. To be successful in this sector means winning and retaining contracts and franchises let by Network Rail. UK rail sector companies are obliged to follow Network Rail's lead in increasing its commitment to greater transparency, clear responsibility, accountability, communicating and co-operation on emerging sustainability and corporate responsibility issues within the UK rail sector.

3.6 Interpretation of the results

HSQE management systems, environmental management systems in particular, were increasingly being implemented to reduce risk in the UK rail sector, with CSR being adopted but more slowly. A CSR standard was needed to provide a level of control similar to ISO 14001. UK rail sector companies have only recently recognised their wider social responsibilities and how this can impact on their stakeholders and shareholders. Because Network Rail was continually increasing its commitment to CSR, to be successful, all other organisations in this sector must respond accordingly.

The main relationships, trends and generalisations from the results were noted as:

- Social, ethical, environmental and H&S responsibilities best describe CSR.
- CSR provides positive improvements particularly in HSQE systems management.
- The initial take-up of CSR in the rail sector was limited, but is increasing.
- Environmental responsibility and HSQE management were the most important business considerations that characterize CSR.
- CSR improved public image.
- Network Rail was the stakeholder with the most influence.
- CSR was driven by the directors and management.
- CSR was visible in policy statements and CSR Reports.
- Triple bottom line reporting was not yet universally adopted in UK rail sector companies.
- Although 'to make a profit' is a major business consideration a growing trend to protect the health and safety of employees was discovered.
- The impact of CSR cannot be measured.
- A correlation existed between governmental intervention with legislation and the development of CSR in the UK rail sector.

The exceptions to the main relationships, trends and generalisations from the results were noted as:

- Stakeholders were not prioritised by companies in the sector, but Network Rail was.
- Most UK rail sector companies were not active in CSR.

- Not to 'listen to local citizens' was opposite to and contradicts 'improve media and communication relationships'.
- A mixed and confused pattern was seen after implementing CSR with some companies responding to 'pollution incidents reduced' for example and nearly the same number saying the opposite.
- There was still some debate to be had on Government's involvement with the development of CSR in the UK rail sector.

The most likely causes underlying these patterns was most certainly the fragmentation of the UK rail sector after privatisation which was in a muddled mess with no real leadership from Network Rail or Government. Network Rail said it was committed to partnerships, better communication and co-operation and would respond positively to the challenge of CSR. However there existed a level of confrontation between it and its contractors. Previous work by Jupe for example agreed and said that the changes in the organisational structures in the UK rail sector stemmed from the modernisation approach. These changes in structures included the creation of Network Rail as a replacement for the failed private company, Railtrack. The Government claimed two key benefits for these new structures: they achieve better value for money than traditional public sector projects by raising capital more cheaply, and they transfer financial risks to the private sector. In practice privatisation in the UK rail sector led to a large increase in subsidy and risks were not transferred to the private sector. Alternatively, the limited implementation of CSR in many UK rail sector companies may be due to economic considerations resulting from short-term contracts and franchises with no guarantee of retaining them.

Two key contributions from this research into the critical examination of the management of CSR in the UK rail sector were this was the first time CSR had been examined; and for CSR to be fully implemented and its policy adopted by all companies in the UK rail sector, as championed by Network Rail, a major overhaul of the industry was required. Long term contracts and franchises should be the norm with a proper working partnership between Network Rail, or its successor, and its contractors, where the rail contractor can become a full and equal member of the UK rail family.

3.7 Comparison with other research

Comparisons are made between this research and Brady's Canadian research (Brady, 2003); the research by the Centre for Clean Technology and Environmental Policy in the Netherlands (Bressers, 2004); and the Business of Business: Managing Corporate Social Responsibility 2002 – 2007 (Ethical Corporation, 2002). These three studies, together with this research, share the view that CSR initiatives can establish or improve reputations with investors, and can create or increase shareholder value. Eight key questions and responses were selected from the three previous studies and from this research and compared with the success factors for implementing CSR (see the following Table 3.7.1). The key questions were selected to better demonstrate the development of CSR in the UK rail sector that relies on the one main client Network Rail for all of its work, and had comparable questions in all four studies.

Table 3.7.1 Selected questions comparing the factors for implementing CSR.

Source Research Question	Canadian CSR: Lessons Learned, Brady, 2003	Centre for Clean Technology and Environmental Policy, Bressers, 2004	Managing CSR 2002 – 2007, Ethical Corporation, 2002	This research, Johnson, 2013
Q1. Which of the many definitions of CSR best describes the view of your company?	CSR provides valuable input to strategic planning.	CSR helps attract and retain a quality work force, enhanced brand.	Codes of Conduct, EMS, and Management Compensation linked to CSR performance.	CSR is social and environmental management.
Q2. What was the actual benefit, true and tangible, and the perceived benefit, but not proven, from CSR?	Licence to operate. Improve reputation. Reduce risks. Attract and maintain employees, improve competition and access to markets.	CSR benefits engaging companies by reducing costs and risks, and a better brand image.	CSR reputation and brand image drive business results	Enhanced brand image and sales, increase in shareholder value, and moral considerations.
Q4. To what extent do business considerations characterize CSR?	Improving the bottom line, cost savings.	Environmental & risk management, and a management strategy.	Environmental and social performance.	Environmental management.
Q7. How important is CSR in relation to business opportunities?	Attract and maintain employees.	Better brand image.	Supply chain management, SHE Reports, and Dialogue with Stakeholder. Transparency and stakeholder.	Enhances brand, increases shareholder value, attracts & retains quality workforce, improves productivity.
Q9. How do you characterize the level of CSR integration?	Provides input to strategic planning, and sustainable issues.	Systems and dedicated programmes.	Education, training and outreach are needed.	Based on reporting structures and procedures, due to a dedicated team.

Q14. Who/what is the main driving force behind CSR?	Earn and maintain the social licence to operate, establish and improve reputation.	Board of directors and to a lesser degree middle management.	Public awareness and the customer will become a driver of CSR implementation. Activist will target irresponsible brands.	Board of Directors, public expectations, aspirations of a strategic leader, shareholders and stakeholders.
Q19 & 20. How does triple-bottom line reporting assist CSR implementation?	Business values include the bottom line, and cost savings.	Management systems and programmes are instruments to facilitate CSR not triple bottom line reporting.	Standards, tools or metrics for 'Triple Bottom Line' performances assessment are limited. Improved CSR Management Standards and Metrics are needed	Triple bottom line reporting demands responsibility is to stakeholders rather than shareholders.
Q21. What are the most important business responsibilities of CSR?	Improving the bottom line	The most important business responsibilities are to make a profit and to protect the health and safety of employees.	Disagree with the assertion that the primary responsibility of corporations is to make money, and that all else is secondary	Of the various business responsibilities including to make a profit and to listen to local citizens, to make a profit is the most important.

The responses from the selected questions from this research compare favourably with the answers from the three other studies selected. The conclusions are that CSR was considered to be social and environmental management and Brady included strategic planning, which it was considered enhanced brand image and sales and Brady thought gave a licence to operate. Bressers discovered that CSR improved environmental and risk management and, agreed with Brady, included management strategy. All four agreed CSR can also increase shareholder value. However, Bressers thought that management systems and programmes are instruments to facilitate CSR not triple bottom line reporting this was supported by the Ethical Corporation research suggesting that standards, tools or metrics for triple bottom line performances assessment were limited. CSR was unanimously suggested driven by a Board of Directors, public expectations, and shareholders and stakeholders with the main business responsibility to make a profit.

3.8 Contribution to existing research

The responses to the eight key questions described in Table 3.7.1 helps to explore the original proposal that the management of CSR is essential in successful UK rail sector organisations. Also, they help address the research problem on the perceived and actual benefits of CSR in the UK rail sector. Addressing the eight key questions provided the following contributions:

Of the many definitions of CSR, taken from previous research and this questionnaire-based survey, social responsibility was the best descriptor and environmental responsibility was regarded the next best. This response supports the European Commission description that CSR is 'a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis' (European Commission, 2001a). In March 2006 the Commission adopted a communication on CSR which reaffirmed CSR as a business contribution to the 'Growth and Jobs Strategy' and to sustainable development (European Commission, 2006). In the Integrated Guidelines for Growth and Jobs, the Council recommends that Member States should 'encourage enterprises in developing their corporate social responsibility'. From the results of this questionnaire-based survey it was clear that the UK rail sector is committed to contributing to sustainable development through CSR.

As CSR becomes increasingly significant in terms of policy commitments, stakeholders are becoming more interested in its financial effect. It has been suggested that CSR achievements can deliver financial benefits by producing business-relevant reputational, productivity and efficiency effects (Utting, 2000). Conversely, the World Business Council for Sustainable Development (WBCSD) suggests there is a concern that CSR has no clear business benefits and could destroy shareholder value by diverting resources from core commercial activities. On the other hand the WBCSD contradicts itself by supporting the view that a coherent CSR strategy based on sound ethics and core values can offer clear business benefits, (WBCSD, 1999).

The UK rail industry has organisationally become increasingly complex post-privatisation, particularly on the national rail network. Network Rail's two main activities, infrastructure maintenance and track renewal, are provided in-house and by a supply-chain of contractors and sub-contractors. Link-up, empowered by Achilles (Achilles, 2012), is the UK rail industry supplier registration and qualification scheme, used extensively by procurement, engineering, safety and quality professionals as well as organisations who need to comply with European Procurement Legislation and Railway Group Standards. In 2000 Achilles launched the Link-up Audit scheme which took Link-up a stage further by providing a common auditing process for suppliers of

products and services which relate to works undertaken on the railway infrastructure. More than 3600 suppliers and contractors are registered on the Link-up scheme and over 1500 of these are also participating in the Link-up Audit scheme (Achilles, 2012). Network Rail has 11,000 listed suppliers of which 4,000 were engaged in the financial year 2011/2012. Network Rail spends circa £4.5 billion each year on works, services or products, fifty percent of its total expenditure is with its top twenty suppliers (Network Rail, 2012). The survey responses indicated that UK rail sector companies managing CSR can demonstrate to Network Rail that they were complying with its Contract Requirements and Policies, enhancing the company's image with the added benefit of securing contracts and becoming one of the top twenty suppliers. The three previous surveys support the survey results and Brady suggests that by providing a licence to operate improves competition and access to markets (Brady, 2003).

All participants in this survey were asked to identify clear business benefits in becoming involved in CSR, and if they recognised that there were risks associated with not addressing CSR. In addition, will increased CSR reputation and enhanced public image build corporate reputation, and poor CSR performance damage a company's public image? Some of the business values of CSR include:

- Earn and maintain a social licence to operate
- Establish or improve reputation with investors
- Reduce and manage business risks
- Improve employee morale and productivity
- Attract and maintain employees
- Improve competition for access to resources
- Improve access to markets and customers
- Develop corporate values: 'the right thing to do'
- Meet changing stakeholder expectations
- Improving the bottom line, cost savings
- Improve relations with stakeholders
- Provide valuable input to strategic planning and sustainability issues

- Stimulate innovation and generate ideas
- Improve relations with regulators.

The findings of this research suggested that for the UK rail sector CSR reputation determines and expands its social licence to operate. Failing to obtain community support or attracting the displeasure of the non-governmental community and enforcement agencies can increase costs from improvement notices and holding up approvals in lengthy public hearings (see Cutlip, 1985).

This questionnaire-based survey discovered that in the UK rail sector the following business values were evident:

- Social, environmental, and ethical responsibility best describes CSR
- Management systems benefit from CSR
- CSR is environmental management, not the traditional way, is new to the UK rail sector, and reputation drives business results
- No agreed standards for the management of CSR performance
- UK rail sector companies tend not to use external stakeholders to drive CSR initiatives
- UK rail sector companies regard customers as the stakeholder group with most influence
- UK rail sector companies acquire external information on CSR from stakeholder dialogue
- The boards of directors are the driving force behind UK rail sector CSR development
- The loss of stakeholder confidence is regarded as retrievable
- CSR is most visible in a UK rail sector company policy or mission statement
- Environmental incidents and health and safety accident statistics should be included in CSR reports
- CSR reports should contain environmental, social, health, safety, corporate governance, compliance data
- HSQE management systems aligned to specific standards are employed to facilitate CSR
- Triple bottom line reporting is not widely implemented in the UK rail sector
- Making a profit and employee health and safety are the most important business responsibilities

- The impact of current CSR schemes in UK rail sector companies is not yet measurable
- CSR has helped reduce incidents and complaints
- The expectations of UK rail sector companies on CSR have risen in the last decade and that government and legal requirements were responsible
- CSR strategy had no influence on UK rail sector supply chain management
- Environmental legislation supports CSR development in the UK rail sector
- Government should take measures to level the playing field for CSR engaging firms, and should take the lead in CSR development
- The management of CSR in the UK rail sector is essential in successful organisations.

3.9 UK rail sector corporate reputation and public image

This section discusses how events may affect corporate reputation and public image, and how this is reflected in a company's share valuation. This discussion highlights the difficulties of demonstrating causal links between events and share value and how this might be addressed through statistical techniques as a further line of research. The principal drivers for companies adopting CSR were discussed in the Canadian study introduced in the previous section. Several business risks of not adopting CSR were also identified in the Canadian study as almost all of the drivers discussed involve some element of avoiding risk. Risk avoidance, in particular reputational risk, is easily adapted to the UK rail sector. For example, the diesel fuel leak on the Silverlink Depot at Bletchley (Railtrack, 2000). For a period of several months between late 1997 and mid-1998 diesel fuel leaked from the train fuelling system with a loss of 213,000 litres. Railtrack leased this depot to the Train Operating Company (TOC), Silverlink, with a split of responsibility for operation and maintenance to the TOC and repairs to Railtrack. Both companies pleaded guilty in February 2000 to causing pollutants to enter groundwater contrary to the Water Resources Act 1991 (WRA, 1991). Both Railtrack and the TOC were fined £125,000 each and ordered to pay the clean-up costs. Railtrack spent £260,000 on emergency clean-up measures immediately after the incident; the original estimate for the total clean up costs was £1.75 million (Railtrack, 2000). The actual total cost for this incident was approximately £3 million. Another example of a fuel spill

from a diesel passenger train at Colwyn Bay Station which contaminated the town's Blue-Flag beach, and placed Railtrack onto the Environment Agency's top-ten polluters list, severely damaging its reputation (Railtrack, 2000).

One company chosen to demonstrate the link between a gradual loss of reputation and a fall in share value was the UK engineering company Jarvis. In the mid 1990's Jarvis was a near bankrupt construction company based in Altringham, England. It had debts equal to twice its equity assets, a near £5m loss for the year and at best the stock market value was under £20m. This was transformed into a company, Jarvis Group plc, that included Jarvis Rail and Fastline and worth at one time £1bn on the stock market. However, in March 2010 the Directors of Jarvis plc announced that they had no option but to take steps (together with the Company's secured lenders) to place the Company, and certain of its subsidiaries, into administration, and to request that trading in its shares be suspended with immediate effect (Jarvis, 2010).

The change in fortune for Jarvis began in 1996 with £9m being spent to buy the Northern Infrastructure Maintenance Company (NIMCo), one of seven ex-British Rail maintenance companies carrying out maintenance work for Railtrack. The price was low, and so were the profits, but the turnover was £140m. This acquisition was followed by spending £50m on buying Fastline the specialist track renewal company. Investors believed Jarvis Rail would benefit greatly from the British Rail sell-off and so had no difficulty in raising £64m of new money with a rights issue. Jarvis shares previously valued at 20p eventually peaked at 788p.

This was the era, 1997, when a newly elected Labour government believed that competition was good and that newcomers such as Jarvis should be encouraged to compete in the UK rail sector with long-established companies such as Balfour Beatty and Amec. The rapid decline of the Jarvis share value began with the Potters Bar crash in 2002 and the subsequent inquiries into poor maintenance allegations; and the Kings Cross and Aldwarke derailments (see Aldrick, 2003). City experts predicted that Jarvis would go out of business by the end of July 2004 as its share price fell to below its original construction day's low of 20p. This was after Jarvis admitted debt had risen to

£230m and would need to write off a further £141m. Because of the loss of reputation by some companies, such as Jarvis, it then becomes easier to blame them for any further accidents or incidents. Other companies with better-perceived reputations escape this public judgement possibly because of just that, a perceived better reputation. Evidence of this is shown by the media's reaction to a catastrophic event involving companies with widely different corporate reputations.

In 2004 one such company with a good corporate reputation was Carillion Rail and this example was part of the media coverage after the Tebay rail accident (see Rail-reg, 2006). Regarding this Carillion's Chief Executive, John McDonough made a statement:

I can confirm that in the tragic accident that occurred on the West Coast Main Line in Cumbria, four Carillion Rail people died and three were injured. The accident is now the subject of investigations by the British Transport Police, the Health and Safety Executive and the Rail Safety Standards Board. Carillion is doing everything possible to support and co-operate with the investigating authorities as they seek to identify the cause of the accident (BBC News, 2004).

This tragic accident and Carillion's statement had little real effect to the company's reputation and had no calls from the media to remove Carillion from all rail maintenance contracts, as opposed to the call to remove Jarvis from all rail contracts after the Potters Bar incident (see BBC News, 2002). The Carillion statement is strikingly different from the Jarvis statement when it announced a sharp increase in profits over the financial year, before mentioning the Potters Bar rail crash in which seven people died:

These results (a sharp increase in profits) are released only a little more than a month after the tragic events at Potters Bar (Jarvis, 2002).

The announcement of the increased profits before any mention of the rail accident showed a lack of sensitivity on the part of Jarvis. Christian Wolmar writing in Rail magazine, said:

Jarvis, the contractor which, ironically, took over from Balfour Beatty after the Hatfield crash, has been fighting a fierce rearguard action in the media to keep the possibility of

sabotage on the agenda. The company briefed national journalists on the Friday after the crash and was rewarded by front page stories which even mentioned a murder enquiry. Yet the British Transport Police played down the story. Its share price fell by a quarter in the week after the event and that is why Jarvis mounted its aggressive PR exercise (Wolmar, 2002).

The response to a catastrophic incident varies depending on the company involved. A sample of UK rail sector incidents resulting in the loss of life produced the following press coverage:

Table 3.9.1 Media coverage of rail industry incidents resulting in loss of lives.
Source ADVFN, 2004.

Incident	Company	Change in Share Value (pence)	No. of articles	Period covered by articles	Injuries sustained
Potters Bar	Jarvis www.jarvis.com	300 to 50	359	10.05.02 to 31.07.04	7 fatalities and 70+ injuries.
Tebay	Carillion www.carillionplc.com	16.8 to 19.9	23	15.02.04 to 31.07.04	4 fatalities.
Hatfield	Balfour Beatty www.Balfourbeatty.com	70 to 260	129	17.10.00 to 31.07.04	4 fatalities and 35 injuries.
Ladbroke Grove	Thames Trains (Go Ahead Group) www.goahead.com	925 to 424 in 1999. 1071 in 2004	217	05.10.99 to 31.07.04	31 fatalities and approx. 500 injuries.

The research also found that it is not only the number of articles on a company’s failings in managing disasters but also the damaging effect of the content of these articles. Kasperson in the article *The Social Amplification and Attenuation of Risk* (Kasperson, 1996) describes the spread of impact from a catastrophic event as a ripple effect and the impacts spread like ripples out from local victims, impacts often extend beyond the local area and countries, technologies and industries can be affected, see Figure 3.9.1.

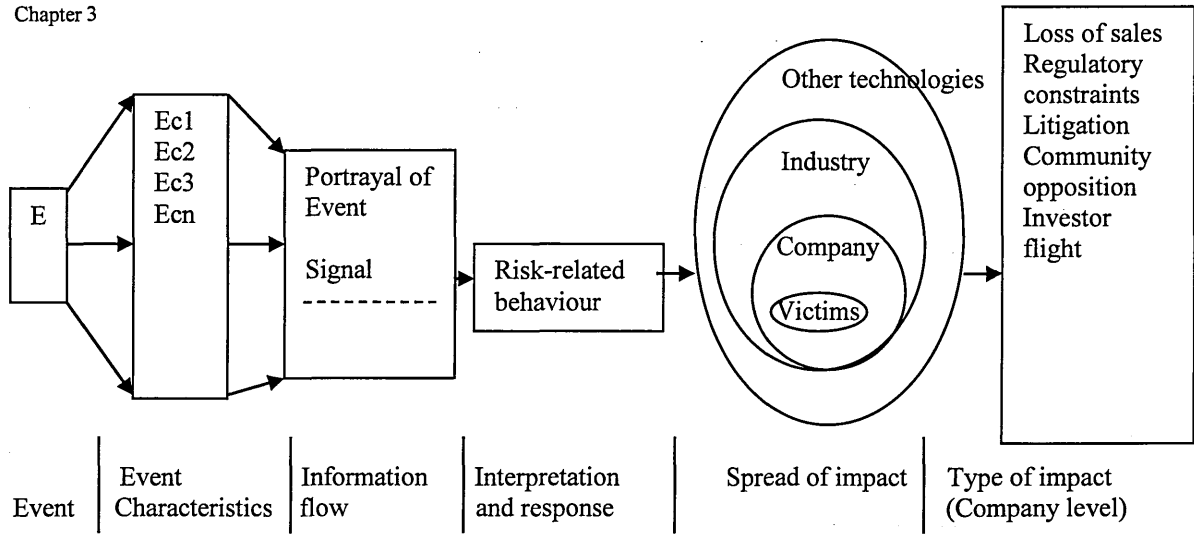


Figure 3.9.1 The social amplification from a catastrophic event. Source: adapted from Kasperson, 1996.

This ripple effect had a great affect on Jarvis and a diminishing affect on companies in the same sector, the UK rail sector itself and others involved, as shown in Figure 3.9.2.

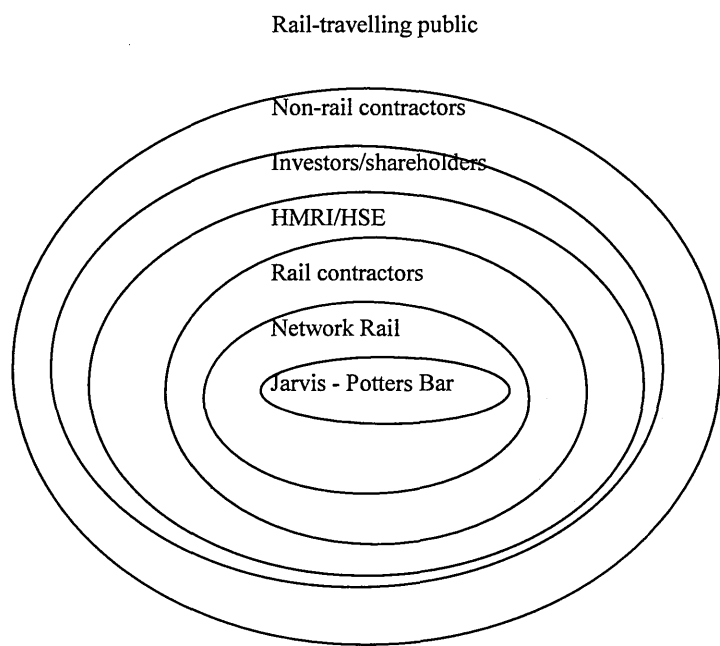


Figure 3.9.2 The Potters Bar incident and resulting Ripple Effect. Source: adapted from Kasperson, 1996.

Some comparisons of how well management handles difficult circumstances after a catastrophic event can demonstrate share value confidence. Communication is the most important tool management has when dealing with events such these. Reputation can be harmed immediately after

the event, but this reputation can be protected by planning for such an event and communicating management action. This was the situation at Jarvis after Potters Bar, although the Jarvis senior management did react in a timely fashion more could have been done in showing a willingness to be open with the public and communicating with the media to help maintain a high level of credibility. The Jarvis CEO announced in an internal company email that the Jarvis Board had considered purchasing a full page in all the broadsheet newspapers in the UK. This was to explain the Jarvis version of events of what happened at Potters Bar and to list all the positive aspects of the company such as the company slogan 'Safety is our Number 1 Priority'. However, this communication which may have helped the media to treat Jarvis more fairly for being open and honest did not happen because of cost. The cost of not communicating openly and frankly with the media may have contributed greatly to the drop in Jarvis's share value.

Successful UK rail sector companies no longer believe the law is a complete statement of public demands, and increasingly take a broader view of their corporate social responsibility that considers the economic, social and environmental impacts of their activities. They recognize the need to engage with a wider civil society that, although loosely defined, has the power to withdraw their informal 'licence to operate'. Aidan Nelson, Director, Policy and Strategic Initiatives RSSB, noted that throughout the recent debate on railway safety, the industry has maintained its formal licence to operate, but has not maintained its informal licence to operate (ESRC, 2005). Rail accidents such as Ladbroke Grove (ORR, 2010), Hatfield (HSE, 2002) and Potters Bar (HSE, 2003) have threatened the rail industry with losing its formal licence. If this was to happen the implications of a rail catastrophe could include loss of customer confidence and a reduction in government funding. It is not enough that a company's activities are legitimate; it must also convince the public and the media, that they are acceptable.

3.10 Change Management: Success factors and challenges

This section describes the success factors and challenges identified in UK rail sector companies implementing CSR schemes. Table 3.7.1 summarised the success factors for implementing CSR

within organisations. Brady (Brady, 2003) suggested that the success factors identified by

participating companies can be loosely organised according to the conceptual model shown in Figure 3.10.1 below, which proposes that there are five key ingredients to influence complex change, such as CSR, within an organisation. These are that change requires a combination of:

- Vision - that clarifies which direction the organisation needs to take. Senior management commitment is important for ensuring that this vision is embedded within the organisation;
- Skills - needed to make the transformation, including supporting tools and information;
- Incentives- for changing behaviours to align with the vision and new objectives of the organisation, including staff participation;
- Resources - assigned to the change effort;
- Action plan - that lays on in concrete terms how the change will move forward with responsibilities assigned.

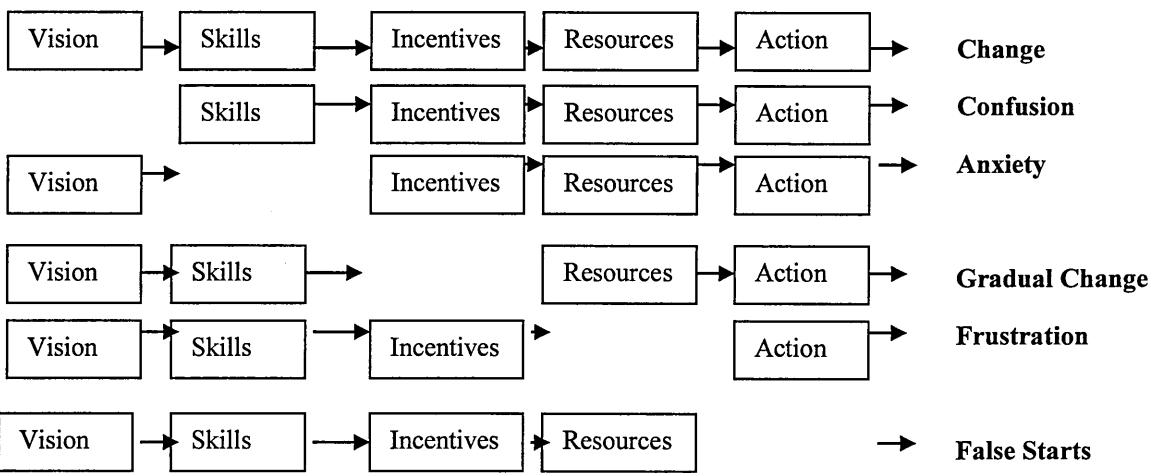


Figure: 3.10.1 Conceptual model proposing five key ingredients to influence complex change, such as the implementation of CSR. Source: Brady, (2003) from Adams, Kingsley and Smith.

Figure 3.10.1 shows the effects of missing elements on the change process. For example, without a clear vision, the transformation process can dissolve into a list of confusing and incompatible projects that can take the organisation in the wrong direction or nowhere at all. These five elements are by no means the only way to understand the many factors that can contribute to success in transforming an organisation, but they represent one framework for organising the many success

factors identified by the companies interviewed on their journey towards CSR, (adapted from Brady, 2003).

3.11 Vision and senior management commitment to CSR

All participants of the questionnaire-based survey recognised that having a vision and high-level commitment is necessary for transforming companies within the UK rail sector and integrating CSR into the way they conduct business. Senior management commitment provides leadership for the change process, ensures that the needed resources are made available, and that any barriers to change, such as lack of incentives or skills, are addressed. According to a sample of company policy statements five UK rail sector companies had board-level committees responsible for stewarding their CSR activities; this was six with the addition of Network Rail (see Network Rail, 2006). For some companies senior management commitment to CSR was relatively new, and had been brought about by external pressures from stakeholder groups and/or recognition of the business benefits of CSR. These companies noted that senior management commitment is reinforced by external recognition and certification of its HSQE management systems tell the company's stakeholders that it is 'doing the right thing'.

The majority of the sample UK rail sector companies had developed a vision for the company, expressed through either a vision or value statement or a set of CSR policies that clarified its role in, and responsibility to, society. A minority noted that stakeholder engagement processes were important in helping them define their vision and policies and for providing important input into managing performance improvements. All companies supplemented their visions, values or policy statements with guiding principles such as codes of business conduct or specific commitments for living out their values. Companies differed in how they communicate their vision or values. For some companies, commitment is reflected in one vision statement or policy, whereas other companies refer to a number of high-level guidance documents providing the basis for their CSR activities.

CSR policy statements for the majority of the sampled UK rail sector companies acknowledged they had corporate value statements and other policies in place for years, for example health and safety and human resources policies. However, the incorporation of the CSR principles of social and environmental commitments together with economic business objectives was a relatively recent occurrence. Railtrack's Corporate Responsibility Review produced in 1997/98 (Railtrack, 1997a) and the BRIS Report in 1994 (Saunders, 1994) were the first to be developed in the UK rail sector.

All survey respondents recognised that there needed to be both formal and informal methods of communicating the company's CSR vision to internal and external stakeholders. Some companies placed significant emphasis on the fact that CSR commitment was a responsibility of every employee and this corporate CSR vision was introduced to employees during induction training. Most companies identified that they used various methods, newsletters, websites, and CSR Reports, to communicate CSR vision and strategies.

The results of the questionnaire-based survey and interviews provided the responses to the research question: 'What are the benefits of CSR?' The majority of the UK rail sector company statements agree it was beneficial to have a corporate wide CSR commitment to ensure consistent, responsible, corporate behaviour across all operations. The Brady research suggested that the other major benefit of formalising a company's commitment to CSR, through vision or value statements, was by moving away from an ad hoc approach to improving social, environmental and economic performance to a situation where these values and commitments became more integrated into the way these companies conducted business (Brady, 2003).

The research identified that the majority of UK rail sector companies had HSQE management systems in place, which had the benefit of a well-developed and well-accepted set of indicators for measuring performance. However, the majority of companies did not have equivalent indicators to measure CSR performance. Without meaningful CSR indicators it was difficult for UK rail sector companies to monitor performance and incorporate targets into business plans and accountability

systems. They also identified if adequate resources were a success factor, traditionally, in the UK rail sector, there was a concern that not enough resources were made available for CSR management.

The survey and interview results provided evidence to support the view that UK rail sector stakeholders were taking a broader perspective of corporate responsibility that incorporated not only economic performance, but also environmental and, increasingly, social performance factors too. Recent corporate failures had also illuminated the importance of corporate governance practices. At the same time, CSR approaches were becoming increasingly important to companies who wanted to maintain or increase their competitiveness in the UK rail sector. There had been an explosion of definitions and implementation guidance on CSR. While many companies, governments and other policy organisations were taking proactive approaches to CSR, it was clear from this study that implementing CSR in UK rail sector companies represented a significant change management challenge.

The drivers for CSR already identified by the UK rail sector companies in this study provided important information that can help determine the best approach for UK rail sector businesses to implement CSR strategies. However, the survey and interview results showed that interpretations of CSR vary. Different terms such as sustainable growth, corporate responsibility, and core values were used to describe activities that fall under the scope of CSR.

It should be noted that the Brady study (Brady, 2003) focussed exclusively on the positive aspects of CSR. Its intent was not to take a critical look at the role of industry in society. For example, the case study companies taking part in the Canadian study were not challenged on specific negative impacts of their operations; rather the focus was on what the companies thought they did well. A critical analysis of what they did not do so well would provide some balance to the results of the Canadian study. This research into CSR in the UK rail sector attempts to provide some of that balance by looking for evidence of Greenwash.

3.12 Summary

This chapter introduced and discussed the research, the author's contribution, and compared the results with other existing research in this area. The final sections provided a discussion and summary of the results of the research, in particular the research problem and the research questions. This chapter also presented the results of the application of the key research instruments including main points from the questionnaire-based survey evidence and the literature review which provided a link back to the research problem: 'What are the perceived and actual benefits of CSR in the UK rail sector?' The results were based on statements of observations, including descriptive statistics, tables and graphs. Negative findings as well as positive were mentioned.

This chapter discussed the interpretation of the results and discussed the results of the literature review and the questionnaire-based survey. It discussed what the results mean, how they were interpreted and what the findings tell us about the research problem. The next and final chapter, Chapter 4, provides overall conclusions as well as a summary of the results of the research, in light of the research problem, the three research objectives and the five research questions.

Chapter 4.0 Conclusions

4.1 Introduction

The purpose of this chapter is to provide overall conclusions to the research into the examination of the management of CSR in the UK rail sector. It has sought to address the overarching aim of the thesis – to explore the management of CSR in the UK rail sector – by focusing on three research objectives:

1. To examine the evolution of the relationship between CSR and the UK rail sector.
2. To assess the significance of the relationship between CSR and the corporate success of UK rail sector organisations.
3. To appraise the efficacy of the implementation and use of CSR in UK rail sector organisations.

These three research objectives were then linked to a set of five key research questions (see Table I.1) as a basis for the conduct of empirical research.

The chapter is organised into six sections, covering inter alia: The Five Research Questions: Key Findings (4.2). The case for CSR in the UK rail sector (4.3). Current CSR Models and Standards (4.4). Concluding summary (4.5). Contribution to knowledge (4.6), and Further research opportunities (4.7).

4.2 The Five Research Questions: Key Findings

The five research questions presented in the Introduction chapter were developed through an understanding and analysis of UK rail sector policy and a critical examination of CSR and the prevention of rail fatalities. Following on from the discussion aimed at understanding the extent of the research problem, a review was conducted on the benefits of CSR in the UK rail sector. The research explored the suggestion that CSR is concerned with the relationship between UK rail sector organisations and society, and how these organisations reduce any adverse impact of their operations on the community. This reduction is achieved by the assumption that the effective management of CSR can lead to long-term benefits. A review of the early relevant literature in

Chapter 2 revealed different meanings of the concept of CSR, from purely philanthropic ventures to taking proper legal, moral, and ethical actions that will protect and improve the welfare of society and businesses.

The key findings from the five research questions can be presented and discussed as follows:

Research Question 1: *Who/what, was the main driving force behind CSR initiatives: external stakeholders, employees, management or interested parties?* The trend that emerged from an analysis of the evidence is that CSR was driven by the directors and management. The evidence indicated that when UK rail sector companies became aware of their wider responsibilities to the community, through growing public expectations and third party pressure, engaging with CSR was the reaction from the board of directors and management.

Research Question 2: *What type of information, relevant and accessible to the reader, should be included in a CSR report?* Analysis of the evidence shows that environmental incidents and health and safety accident statistics received the most responses. Additional suggestions for inclusion in a CSR report included charity work, community interaction, awards, UK rail sector initiatives, supplier and contractor management, complaints, objectives and targets, and community issues.

Research Question 3: *Should the CSR report contain environmental data only, or social, health, safety, and corporate governance/compliance data too?* Analysis of the evidence shows that the overwhelming response was it should include them all. It also gave a clear indication that the UK rail sector companies taking part in the survey considered that for a CSR report to be of value it must be wide-ranging and include environmental, social, health and safety, corporate governance, corporate compliance data as a minimum. The respondents' views also included that, to demonstrate honesty and transparency, the report should include negative disclosures to give more value to the reader, and it should be endorsed by an independent third party.

Research Question 4: *Where communication breaks down to what extent is the impact of inaccurate information and loss of stakeholder confidence that puts at risk corporate confidence,*

irretrievable? Analysis of the evidence shows that the impact of negative information and the resulting loss of stakeholder confidence can in turn put at risk corporate confidence, which has been particularly apparent in the UK rail sector in recent years. However, is this loss of corporate confidence irretrievable? The evidence shows that the majority of the respondents were unsure and less than half thought the loss of corporate confidence was retrievable.

Research Question 5: *Is the management of CSR essential in successful UK rail sector organisations?* The analysis of the evidence shows that this was overwhelmingly positive. Over three-quarters of the respondents agreed that it was essential, or at the very least highly desirable. A further indication of the importance placed on CSR in the UK rail sector was given by the CEO of Network Rail who stated that to demonstrate their commitment to CSR a new company committee is being established to develop their policies in the field of corporate responsibility.

4.3 The case for CSR in the UK rail sector

The initial focus for the research was to explore the proposition that there was an issue requiring resolution in the first instance. In Chapter 1 the literature concerning the evolution of the rail industry, HSQE management systems and CSR in the UK rail sector were reviewed. It investigated, for the first time, the link between CSR and HSQE management systems in the UK rail sector. It also explored the lack of communication to parties concerned with the management of CSR in this sector. The author then proposed a working definition of CSR in the UK rail sector:

Meeting the needs of the present without compromising the needs of future generations achieved through voluntary management of environmental, social and economic performance that meets or exceeds ethical, contractual, and stakeholder expectations.

In order to inform the debate on the benefits of CSR in the UK rail industry it was necessary to assess and compare the relative benefits and aspects of each part. EMS, QMS, SMS and CSR appear on most corporate agendas and are often used synonymously. In fact, though, they are quite different and not always fully understood. CSR is one of three elements contributing to corporate

responsibility, the other two being corporate financial responsibility and corporate environmental responsibility. Corporate responsibility in this context has the subheading 'sustainable development'. Therefore, corporate responsibility is equivalent to the triple bottom line or environmental, social, and governance concepts. This research combined the concept of HSQE management and CSR, thereby supporting the UN statement that: 'Economic development, social development, and environmental protection are interdependent and mutually reinforcing components of sustainable development'.

To link these high level strategic concepts to the UK rail industry, a research strategy based on an empirical approach – to obtain primary evidence from the UK rail industry – was selected. This consisted of a questionnaire survey and personal interviews. The intention of the survey was to sample UK rail industry companies with regard to CSR activity. Over two-thirds of the companies that took part in the survey were engaged in CSR development, although it was accepted with varying degrees of commitment. The majority of respondents were between 30 and 59 years of age and were Environment Managers, or had HSQE in their job title. They were employed by medium to large organisations, and had considerable experience in the UK rail industry; over two thirds had served between three and ten years.

The first chapter presented the literature review and covered the recent developments of CSR in the UK rail sector and compared CSR literature from the UK rail sector with other transport sectors. It described a number of current definitions for CSR and reviewed current CSR strategies and practices. It discussed the on-going debate for and against CSR and the development of CSR in the UK rail sector. Chapter 1 also reviewed CSR principles, standards and legislation, policies and corporate codes of conduct, and concluded with CSR Reports from other sectors.

Chapter 2 presented the research strategy and the research methods to be adopted. It showed that the survey questions were designed to assess the extent to which companies in the UK rail sector had integrated the principles of CSR into their corporate strategy. The survey's aim was to discover if the more successful UK rail sector companies were managing CSR. The questions asked about

business considerations that include CSR management in the UK rail sector. They asked when was the UK rail sector company conscious of its wider responsibilities to the community and if this was due to a critical event or stakeholder pressure. The importance of CSR was questioned and if this helped to increase shareholder value. The impact of CSR in the UK rail sector was also questioned and what role, influence and support Government and legislation had on the development of CSR in this sector.

The research and the author's contribution was introduced and discussed in Chapter 3 and the results compared with other existing research in this area. Comparisons were made between this research and Brady's Canadian research; the research by the Centre for Clean Technology and Environmental Policy in the Netherlands; and the Business of Business: Managing Corporate Social Responsibility 2002 – 2007. The three previous studies, together with this research, confirmed that CSR initiatives can establish or improve reputations with investors, and can create or increase shareholder value. Eight key questions and responses were selected from the three previous studies and from this research and compared with the success factors for implementing CSR. The key questions were selected to better demonstrate the development of CSR in the UK rail sector that relies on the one main contractor Network Rail for all of its work, and had comparable questions, and subsequent responses, in all four studies. The findings of Chapter 3 suggested that for the UK rail sector CSR reputation determines and expands the sector's social licence to operate.

The results of the thesis including key points from the questionnaire-based survey evidence and the literature review were also presented in Chapter 3, which provided a link back to the five research questions. The results consisted of actual statements of observations, including statistics, tables and graphs. Negative results as well as positive were mentioned, and interpretation of the results was discussed. Following the analysis, the results were discussed which indicated that HSQE management systems were increasingly being implemented in the UK rail sector, with CSR being adopted but more slowly. It was concluded that a CSR standard was needed to provide a level of control. UK rail sector companies had only recently recognised their wider social responsibilities and how this impacted on their stakeholders and shareholders. Because Network Rail was

continually increasing its commitment to CSR, to be successful all other organisations in this sector must respond accordingly.

4.4 Current CSR Models and Standards

The research has shown that, although there are many available definitions of CSR they consistently refer to five dimensions: stakeholder; social; economic; voluntariness; and environmental. Although they apply different phrases, the definitions are predominantly congruent, making the lack of one universally accepted definition less problematic than might seem at first glance.

It was maintained that definitional issues regarding CSR have remained an area of deliberation from the concept's very beginnings. Earlier models of CSR emerged in the 1960s and typically held the 'social' aspect of CSR as referring directly to those responsibilities above and beyond economic and legal obligations. Thus, for many, CSR was and still is synonymous with voluntary and philanthropic acts by business organisations designed to alleviate social ills or benefit a disadvantaged group chosen by the corporation's managers. Carroll's 'pyramid of corporate social responsibility' summarised in Chapter 1 is perhaps the most famous example of the early models. Updates to the model correspond more closely to contemporary notions of CSR as integral to the business system and exemplified in concepts such as the triple bottom line and social auditing.

It was also demonstrated that this notion of CSR as integral to the business system required a CSR policy and although there were various standards for managing non-financial issues, there was no certifiable management standard for CSR. ISO 26000 provided guidance on managing CSR, but was not a certifiable standard. There was a wide range of CSR guidelines, frameworks and principles, all of which had something to offer. One recent survey identified more than 400 documents of relevance to one or more parts of CSR. Some that are commonly used and that cover a wide range of issues are the UN Global Compact that contains a set of ten principles, the Global

Reporting Initiative's Reporting Guidelines that are effectively the defacto standard for reporting on CSR, and the AA 1000 set of standards.

Specifically for the UK rail sector, Network Rail's 2011 Corporate Responsibility Report stated that it was committed to the pursuit of economic, social and environmental sustainability. Its Corporate Responsibility Group (CRG) provides a strategic steer on emerging sustainability and corporate responsibility issues within the business. The remit of CRG was to provide direction on: the policy, strategy and objectives necessary to deliver the Company's sustainability goals across economic, social and environmental areas; measurable targets for sustainability and the specific activities and initiatives to deliver these; and a monitoring system for the progress and success of these activities.

4.5 Concluding summary

The above discussion clearly demonstrates that UK rail sector companies should be operating in a socially responsible and environmentally conscious manner and that expectations are increasing. Certification of rail organisation's HSQE management systems to the ISO and OHSAS Standards was common. Community expectations relating to CSR and environmental performance are not about to decrease. The opposite is contended; every indication is that community concern with CSR will continue to increase. UK rail sector organisations that can demonstrate corporate social responsibility will prosper, at the expense of other organisations that cannot or do not.

What CSR means to the UK rail sector can be described in two parts: firstly, what it means for Network Rail; and secondly, what it means for rail contractors. For Network Rail it means taking the lead in promoting CSR in the UK rail sector and encouraging its contractors to engage with CSR - formally moving CSR compliance from a suggestion to a requirement. It means Network Rail is accountable to its stakeholders to reduce derailments and fatalities by delivering a reliable and safe rail network that meets the demands of all customers and stakeholders. It has a dual role in promoting and improving the railway as a sustainable mode of transport whilst managing its

impacts upon society and the environment. It also means setting out the minimum CSR standard required in all contracts it lets possibly by introducing a new line standard Contract Requirements – CSR, similar to the current line standard Contract Requirements - Environment.

For contractors in the UK rail sector, CSR means removing the barriers for the implementation of CSR by ensuring contracts are profitable whilst at the same time fully complying with CSR principles - including earning and maintaining a social licence to operate.

The way forward for CSR in the UK rail sector is with Network Rail championing CSR by communicating CSR initiatives, providing CSR training and collaborating with contractors and other stakeholders in promoting CSR management. Linking back to the five research questions, the way forward must include the following responses based on this research:

Network Rail is the main driving force behind CSR initiatives in the UK rail sector since Network Rail is the main client letting contracts, with support from its principle contractor's senior management. Environmental incidents, H&S accidents, working hours and staff retention information should be the type of information to be included in a CSR report from organisations working in the UK rail sector.

For CSR reports in the UK rail sector the CSR report should contain environmental, social, health, safety and corporate governance/compliance data. Where external communication in the UK rail sector breaks down, openness and transparency, particularly when managing a crisis such as rail-related fatalities, is essential in retrieving stakeholder confidence. Finally, the management of CSR is essential in successful UK rail sector organisations, led by Network Rail raising the profile of CSR from a suggestion to a requirement.

4.6 Contribution to knowledge

In completing this research there have been a number of opportunities to contribute to knowledge in the development of the management of CSR in the UK rail sector. For example, the link between

HSQE management systems and CSR in UK rail sector organisations was explored and the lack of communication with interested parties concerned with the management of CSR in this sector was investigated. Comparisons were made between policy statements from a sample of UK rail sector companies and from other selected industries and possible conflicts were discussed. Principles, standards and codes of conduct were examined and the impact they had on corporate reputation critically analysed. What was known about CSR within the UK rail sector and published works were reviewed. Industry guidance notes and standards that helped identify gaps in existing knowledge were examined.

The contribution to new knowledge that has been presented in this thesis may also be described according to Potter's categories (Potter, 2006), as follows:

- A questionnaire-based survey that explored the management of CSR in the UK rail sector through a critical examination of CSR implementation. This therefore provided something new for the first time.
- The implementation of CSR, that include HSQE management systems, help improve corporate image and that to be successful UK rail sector companies must manage CSR through the implementation of these initiatives. This therefore provided a new perspective.
- The existing Network Rail Standards, for example Contract Requirements, when incorporated with CSR help in the management of corporate accountability. This therefore provided a reinterpretation of an existing body of knowledge.
- Existing certified HSQE management systems can help manage CSR in the UK rail sector. This therefore provided an improvement on something which already existed.
- Applying the existing CSR concept to the UK rail sector. This therefore provided applying an existing idea or theory to a new field or sector.
- A new way of understanding how UK rail sector organisations have developed and implemented CSR. This therefore provided the basis for a new model or perspective.
- The critical examination of the management of CSR in the UK rail sector. This therefore provided a critical analysis.

- Supporting evidence from the questionnaire-based survey. This therefore provided a new in-depth study.
- Comparative and generalizable conclusions drawn from existing primary information and the critical examination of CSR implementation with supporting evidence from a questionnaire-based survey. This therefore provided a collection of generalizable findings and conclusions.

4.7 Further research opportunities

This research has striven to inform the debate on CSR in the UK rail sector. There are however five areas that could be further developed following themes that have been identified in this study.

These include:

Stakeholder involvement: a more systematic review of stakeholder involvement in shaping and developing the management of CSR in the UK rail sector compared with other sectors would be worthwhile and to determine if managing CSR has different priority levels in different sectors.

Greenwash: there is an opportunity to establish in greater depth if UK rail sector organisations do carry out all their CSR commitments that they promise in their various corporate policy statements.

Crisis management: further work is required to examine the impact on an organisation's reputation of good and poor corporate management during a crisis, and the impact on stakeholders that this brings.

Managing CSR and the prevention of rail fatalities: further work is required on improving CSR controls and to better understand user perception associated with the use of passive level crossings.

Network Rail and the Environment Agency: further work is required to understand the relationship between Network Rail and the Environment Agency's Memorandum of Understanding.

Of these five further research areas, the fourth - managing CSR in the UK rail sector - can be regarded as a priority. The potential for public perception to influence stakeholder value clearly show that the alternative can result in stakeholder rejection when business catastrophes occur and management fails to react in a timely and positive manner.

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APPENDICES

Appendix 1 UK Railway Nomenclature and Definitions

Because of its age, the UK rail system uses a mix of imperial and metric systems of measurement, with distances officially measured in miles and yards or miles and chains. The chain is an imperial measure equalling 22 yards. As the majority of railways were built in the nineteenth century, it is still usually more convenient to retain older units of measurement, rather than try to convert all records to modern standards. Feet and inches are also in use, and speeds are in miles per hour, although many modern metro and tram systems are entirely metric. London Underground uses metric (for distances) and imperial (for speeds). Metric is also used for the Channel Tunnel and on High Speed 1. Measurement systems changed with the development of the railways in the UK, from miles and chains used by the original engineers laying the tracks, to miles and yards used by the early electrical signalling engineers and, more recently, the metric system used by overhead line engineers installing the modern electrification system.

This next section describes essential and controversial terms used in this thesis. The fields of environmental management and CSR are full of acronyms, abbreviations and specific terminology. The principal ones used in this thesis are outlined here. The term appears in *italics*, followed by a brief explanation.

AA1000AS (2008) - The standard used by independent assurance providers to ensure they follow a rigorous process which ends with insightful, valuable and understandable findings and conclusions in a public statement.

Source: AA 1000, 2008

BRIS - British Rail Infrastructure Services – the name given to rail engineers prior to and during the privatisation of British Rail includes track, overhead line and signalling engineers.

Source: Railways Act, 1993

BS ISO 26000:2010 – Guidance on social responsibility- the International Standard providing guidance to users but is neither intended nor appropriate for certification purposes.

Source: BSI, 2010

Cess - Internationally recognised railway term for the area or space alongside the line or lines, a narrow strip of ground between the ballast shoulder and the adjacent natural ground, cutting, slope or structure.

Source: Network Rail, 2005a

Corporate Citizenship - A term used to describe the contribution a company makes to society through its core business activities, its social investment and philanthropy programmes and its engagement in public policy. This contribution is determined by how well a company manages its economic, social and environmental impacts, as well as its relationships with stakeholders.

Source: World Economic Forum, 2008

CSR - Corporate Social Responsibility, how businesses align their values and behaviour with the expectations and needs of stakeholders – not just customers and investors, but also employees, suppliers, communities, regulators, special interest groups and society as a whole. CSR describes a company's commitment to be accountable to its stakeholders.

Source: CSR Network, 2008

EMS - Environmental Management System, a framework for managing environmental responsibilities so they become more efficient and more integrated into overall business operations. Environmental Management Systems are based on standards, which specify a process of achieving continuously improved environmental performance and compliance with legislation.

Source: BSI, 2007

Environment - The surroundings in which an organisation operates, and includes air, water, land, natural resources, flora, fauna, humans and their relationships with one another.

Source: ISO 14001:2004 (Clause 3.2: 2004)

Greenwash -1) The phenomenon of socially and environmentally destructive corporations attempting to preserve and expand their markets by posing as friends of the environment and leaders in the struggle to eradicate poverty. *2)* Environmental whitewash.

Source: Friends of the Earth, 2002

GRI - Global Reporting Initiative, a multi-stakeholder independent institution whose mission is to develop and disseminate globally applicable sustainability reporting guidelines – for reporting on the economic, environmental and social dimensions of a company's activities, products and services.

Source: Global Reporting Initiative, 2007

ISO14001: 2004 - The international standard that specifies requirements for an Environmental Management System (EMS).

Source: ISO 14001:2004 (Clause 1: 2004)

OHSAS 18001 - The internationally recognised assessment specification for occupational health and safety management systems.

Source: BSI, 2007b

QMS - Quality Management System, ISO 9001:2008 provides organisations with a set of processes that ensure a commonsense approach to the management of the organisation.

Source: BSI, 2007a

SA8000 - The Social Accountability Standard promoting continuous improvement of workplace conditions through an inclusive agenda that benefits all stakeholders: employees, companies, workers, trade unions and government.

Source: Social Accountability International, 2009

Stakeholder - Any group or individual who can affect, or is affected by, the achievement of a corporation's purpose, including employees, customers, suppliers, stockholders, banks, environmentalists and government.

Source: Freeman, 1984

Sustainable development - meets the needs of the present without compromising the ability of future generations to meet their own needs.

Source: Brundtland, 1987

Appendix 2 Summary of answers to Questionnaire and Interviews

Table A.2.1 Summary of answers to questionnaire and interviews

Question	Response & Comment	Survey Totals	% Positive response
1. Of the many definitions/interpretations of CSR, what is your view or that of your company? 1a. Social responsibility 1b. Ethical responsibility 1c. Environmental responsibility 1d. Health & Safety responsibility 1e. Economic responsibility 1f. Other	Yes No Yes No Yes No Yes No Yes No	20 Yes, 5 No 15 y 10 n 18 y 7 n 13 Yes, 12 No 11 Yes, 14 No	80 60 72 52 44
2. What do you consider the actual and perceived benefits from CSR? 2a. Increased stakeholder confidence 2b. Improved systems (SMS, QMS, EMS, etc.) management 2c. Improved media and communication relationships 2d. Reduction in employee sickness and absenteeism 2e. Company seen as a market leader 2f. Company more likely to win and retain contracts 2g. Other	Actual, Perceived, None Actual, Perceived, None Actual, Perceived, None Actual, Perceived, None Actual, Perceived, None Actual, Perceived, None	12 Actual, 6 Perc'd, 7 None 15 Actual, 7 Perc'd, 3 None 12 Actual, 8 Perc'd, 5 None 2 Actual, 11 Perc'd, 12 None 12 Actual, 7 Perc'd, 6 None 8 Actual, 11 Perc'd, 6 None	48 60 48 08 48 32
3. How active is your company with respect to CSR?	1 Very Much 5 Not at all	6 (1&2 positive) 14 (3 D/Know) 5 (4&5 negative)	24 56 20
4. To what extent do the following business considerations characterise CSR in your company? 4a. Management strategy. 4b. Public Relations strategy. 4c. Quality management. 4d. Environmental management. 4e. Risk management. 4f. The natural way of doing business. 4g. Charity and sponsoring good projects.	1 Very Much 5 Not at all 1 Very Much 5 Not at all 1 Very Much 5 Not at all 1 Very Much 5 Not at all 1 Very Much 5 Not at all 1 Very Much 5 Not at all 1 Very Much 5 Not at all	9 +, 10 D/K, 6 - 8 +, 13 D/K, 4 - 8 +, 8 D/K, 9 - 18 +, 4 D/K, 3 - 13 +, 5 D/K, 7 - 6 +, 11 D/K, 8 - 10 +, 7 D/K, 8 -	36 32 32 72 52 24 40
5. When was it apparent to you that your company was conscious of its wider responsibilities to the community?	Year	2004 = 4, 2003 = 1, 2002 = 7, 2001 = 3, 2000 = 4, 1999 = 0, 1998 = 1, 1997 = 0, 1996 = 0, 1995 = 1, prior to 1995 = 2	84 (from 1995)
6. This was due to: 6a. A critical event (disaster, unforeseen event) 6b. Aspirations of a strategic leader 6c. Public expectations 6d. Third party pressure (stakeholder) 6e. The company has a long tradition of CSR reporting 6f. Other (please specify):	Yes No Yes No Yes No Yes No Yes No Yes No	4 Yes, 21 No 8 Yes, 17 No 9 Yes, 16 No 8 Yes, 17 No 2 Yes, 23 No 3 Yes	16 32 36 32 08 12

	12. Do you prioritise stakeholders in any way?	influential 1 Very Influential 5 Not influential 1 Very Influential 5 Not influential	5 Y, 13 N, 7 D/K	20
	13. What are the primary instruments your company uses to acquire external information (public opinion, stakeholder opinions, etc.) on environmental and social issues? 13a. Dedicated internal information system 13b. Dedicated external information system 13c. Reporting mechanisms 13d. Stakeholder dialogue 13e. Partnerships 13f. Internal department, team, etc. 13g. Other (please specify):	Yes No Yes No Yes No Yes No Yes No Yes No Yes No 1 Other	8 Yes, 17 No 13 Yes, 12 No 8 Yes, 17 No 13 Yes, 12 No 7 Yes, 18 No 11 Yes, 14 No	32 52 32 52 28 44
	14. Who/what is the main driving force behind CSR in your company? 14a. Board of directors 14b. Middle management 14c. Employees 14d. Government 14e. NGOs 14f. Community 14g. External stakeholders 14h. Other interested parties 14i. Others (please specify):	1 to 6 (1 being most important) Ranking 1 to 6 Ranking 1 to 6 Ranking 1 to 6 Ranking 1 to 6 Ranking 1 to 6 Ranking 1 to 6 Ranking 1 to 6 Ranking 1 to 6	9 (1) 9 (2) 1 (3) 2 (4) 1 (5) 3 (6) 7 (1) 3 (2) 5 (3) 2 (4) 1 (5) 3 (6) 1 (1) 3 (2) 6 (3) 4 (4) 4 (5) 3 (1) 3 (2) 4 (4) 2 (5) 2 (6) 1 (2) 1 (4) 2 (6) 1 (1) 2 (2) 4 (3) 2 (4) 6 (5) 1 (6) 4 (1) 2 (3) 2 (4) 2 (5) 3 (6) 1 (4) 1 (5) 4 (6) Others 2	72 40 16 24 4 12 24
	15. To what extent is the impact of inaccurate information and the resulting loss of stakeholder confidence, which puts at risk corporate confidence, irretrievable?	1 Very Much 5 Not at all	3 +, 12 D/K, 10 -	12
	16. Where does CSR become visible and noticeable in your company's documents? 16a. In a policy/mission statement. 16b. Through social and environmental reporting. 16c. Through internal guidelines. 16d. Through practical policies. 16e. Through ethical principles and related business values. 16f. Other (please specify):	1 Very Much 5 Not at all all	15 +, 5 D/K, 5 - 14 +, 6 D/K, 5 - 11 +, 8 D/K, 6 - 12 +, 7 D/K, 6 - 10 +, 9 D/K, 6 -	60 56 44 48 40
	17. What type of information, relevant and accessible to the reader, should be included in a CSR report? 17a. Environmental incidents 17b. H&S accident statistics 17c. Working hours 17d. Sickness and absenteeism records 17e. Staff retention data 17f. Other (please specify):	Yes No Yes No Yes No Yes No Yes No	21 Yes, 4 No 20 Yes, 5 No 14 Yes, 11 No 12 Yes, 13 No 12 Yes, 13 No 3 Yes	84 80 56 48 48 12
	18. Should the report contain just environmental data or social, health & safety and corporate governance and compliance within a risk management framework data, too? 18a. Environmental data only 18b. Environmental and social data 18c. Environmental, social, and H&S data 18d. Environmental, social, H&S, and corporate governance/compliance/risk data	Yes No Yes No Yes No Yes No	1 Yes 3 Yes 5 Yes 16 Yes	4 12 20 64
	19. In your company, what instruments are implemented to facilitate CSR? 19a. Management Systems, such as specific standards (ISO 14000, ISO 9001, ISO 18000, SA 8000, EMAS)	Yes No	24 Yes	96

19b. Dedicated programs or projects	Yes No	10 Yes	40
19c. Partnerships with stakeholders (NGOs, communities, suppliers, etc)	Yes No	12 Yes	48
19d. Triple bottom line (economic, environmental and social) reporting, Global reporting initiative, etc.	Yes No	3 Yes	12
19e. External accountants involvement (independent verification of your company's data)	Yes No	4 Yes 1 No	16
19f. None	Yes No	1 Yes	4
19g. Other (please specify):			
20. How would you characterise your company's triple bottom line reporting mechanisms and procedures?			
20a. Systematic	Yes No	7 Yes	28
20b. As needed	Yes No	8 Yes	32
20c. Occasional	Yes No	4 Yes	16
20d. Are these web or paper versions, and how do they compare?	Yes No	1 Yes	4
20e. Not yet implemented	Yes No	5 Yes	20
21. Please rank the following business responsibilities from 1 to 8, beginning with the most important.	1 to 8 (1 being most important)	14(1) 5(2) 1(3)	56
21a. To make profit	Ranking 1 to 8	8(1) 12(2) 3(3)	32
21b. To protect the health and safety of our employees	Ranking 1 to 8	4(2) 5(3) 3(4)	16
21c. To protect the environment	Ranking 1 to 8	2(8) 12(7) 7(6)	8
21d. To listen to local citizens	Ranking 1 to 8	14(8) 6(7) 3(6)	56
21e. To contribute to charities	Ranking 1 to 8	7(3) 6(4) 2(5)	28
21f. To treat our employees equally	Ranking 1 to 8	1(1) 1(2) 2(3)	4
21g. Not to participate in bribery and corruption	Ranking 1 to 8	1(1) 2(2) 6(3)	4
21h. To behave socially responsible and provide transparency			
22. Can you measure the impact of CSR on your core business?	Yes No	4 Yes 20 No	16
23. To what extent did the implementation of CSR change your company's core business?			
23a. Improved waste management.	1 Very Much 5 Not at all	8+, 6D/K, 11-	32
23b. Reduced the number of environmental complaints.		6+, 5D/K, 14-	24
23c. More efficient forms of production in practice.		3+, 7D/K, 15-	12
23d. More efficient usage of resources introduced.		7+, 9D/K, 9-	28
23e. Pollution incidents reduced.		10+, 3D/K, 12-	40
23f. Environmental, H&S, etc. prosecutions reduced.		7+, 7D/K, 11-	28
23g. Reduced the number of non-conformances from internal and external audits.		10+, 4D/K, 11-	40
24. Do you think that expectations (governments, public) on corporations with regard to CSR reporting rose in the last decade?	1 Very Much 5 Not at all	17+, 6D/K, 2-	68
25. If expectations rose very much, what were the responsible factors for this change?			
25a. External pressure (NGOs, globalisation, etc.)	Yes No	13 Yes	52
25b. Internal pressure (employee motivation and recruiting incentives)	Yes No	8 Yes	32
25c. Productivity considerations	Yes No	6 Yes	24
25d. Governmental (legal) requirements	Yes No	21 Yes	84
25e. Disasters caused by business activity	Yes No	6 Yes	24
25f. Media coverage and campaigning	Yes No	13 Yes	52
25g. Others (please specify):	Yes No	1 Yes	4
26. To what extent has your company's CSR strategy had an influence on supply chain management with regard to choice of suppliers?	1 Very Much 5 Not at all	4+, 4D/K, 17-	16
27. Please say to what extent you agree with each of the following statements:			
27a. The less the government intervenes in the economy, the better it is for my company.	1 & 2 Agree, 3 & 4 Disagree	9+, 16-	36
27b. The government should take measures to level the playing field for CSR engaging firms.	1 & 2 Agree, 3 & 4 Disagree	22+, 3-	88
27c. The government should provide incentives for engaging in CSR.	1 & 2 Agree, 3 & 4 Disagree	18+, 7-	72
27d. The government should raise social and environmental standards to increase pressure on laggards.	1 & 2 Agree, 3 & 4 Disagree	18+, 7-	72
27e. National governments should strive for binding international rules and laws.		20+, 5-	80
27f. Environmental legislation hinders the development of innovative CSR activities.		2+, 23-	8

27g. CSR can be seen as a replacement of public policy and public legislation should, therefore, be less restrictive. 27h. Business initiatives are better able to improve social and environmental standards than governmental driven policies. 27i. Business is the main force behind CSR; however, all efforts will not be sufficient without governmental support. 27j. The private sector improves social and environmental standards enough.	1 & 2 Agree, 3 & 4 Disagree 1 & 2 Agree, 3 & 4 Disagree 1 & 2 Agree, 3 & 4 Disagree 1 & 2 Agree, 3 & 4 Disagree 1 & 2 Agree, 3 & 4 Disagree 1 & 2 Agree, 3 & 4 Disagree 1 & 2 Agree, 3 & 4 Disagree 1 & 2 Agree, 3 & 4 Disagree	4+, 21-12+, 13-17+, 8-3+, 22-	16 48 68 12
28. Do you think that voluntary-led initiatives and market mechanisms are sufficient to mobilise the majority of companies to improve their ethical, social and environmental performance? 29. To what extent do you see a role for the government (public sector) to facilitate CSR reporting in the private sector?	1 They are enough 5 They are not 1 Very Much 5 Not at all	2+, 7D/K, 16-16+, 6D/K, 3-	8 64
30. Which role do you think the public sector should have with respect to CSR distribution and development? 30a. Facilitator 30b. Partner 30c. Regulator 30d. Educator	Yes No Yes No Yes No Yes No	12 Yes 11 Yes 6 Yes 7 Yes	48 44 24 28
31. Please specify the extent to which legal requirements and other strategic considerations are important for your CSR activities: 31a. Immediate adaptation to new environmental legislation. 31b. Increased investment in environmental measures in order to exceed legislative demands. 31c. Trying to be ahead of environmental demands. 31d. Open up new markets with eco-products. 31e. Take into consideration environmentally conscious consumers.	1 Important 5 Not Important 1 Important 5 Not Important 1 Important 5 Not Important 1 Important 5 Not Important 1 Important 5 Not Important	16+, 4D/K, 5-13+, 6D/K, 6-14+, 7D/K, 4-10+, 1D/K, 14-10+, 8D/K, 7-	64 52 56 40 40
32. Implemented CSR schemes by companies are generally welcomed by government. Do you see differences in how different layers of government (national, regional, local) support CSR reporting?	Yes No Don't know	9+, 10D/K, 6-	36
33. How important is governmental support in its different layers with respect to helping your business implementing CSR? 33a. International layer (EU, OECD) 33b. National layer 33c. Regional layer 33d. Local layer	1 Important 5 Not Important 1 Important 5 Not Important 1 Important 5 Not Important 1 Important 5 Not Important	6+, 8D/K, 11-9+, 10D/K, 6-8+, 6D/K, 11-12+, 4D/K, 9-	24 36 32 48
34. Rank the following governmental layers according to the number of contacts with your company 34a. International layer	1 for most contacts 4 for least	4+, 21-	16

34b. National layer 34c. Regional layer 34d. Local layer		13+, 12- 16+, 9- 12+, 13-	52 64 48
35. What would you say are the causes for these differences in governmental support with respect to different governmental layers? 35a. Governmental policies do not reach local authorities. 35b. Bureaucratic body is too static and inefficient. 35c. My company does not depend on all layers of government. 35d. My company does not need governmental support with regard to CSR.	1 & 2 Agree, 3 & 4 Disagree	6+, 19- 17+, 8- 15+, 10- 11+, 14-	24 68 60 44
36. Is the management of CSR essential in successful UK rail organisations?	1 & 2 Agree, 3 & 4 Disagree	19+, 6-	76
37. Number of employees in your company (all sites):	Number	1-100 = 4 100-1000 = 9 1000-10 000 = 7 > 10 000 = 5	
38. How long have you been in your position?	a. <1 year, b. 1-2 years, c. 3-4 years d. 5-10 years, e. >10 years	< 1year = 2 1-2 = 6 3-4 = 11 5-10 = 4 > 10 = 2	
39. Did your company employ you before you held this position?	Yes No	13 Yes, 12 No	52
40. What is your age?	a. 20-29, b. 30-39, c. 40-49, d. 50-59, e. 60+	20-29 = 3 30-39 = 6 40-49 = 7 50-59 = 6 60+ = 3	12 24 28 24 12
41. Your function/job description:	1. CSR professional 2. Environment 3. SHQE 4. HSE 5. H&S 6. Other	1 = 1 2 = 8 3 = 6 4 = 4 5 = 3 6 = 3	4 32 24 16 12 12

Averages indicate that the average respondent is aged over 30 and under 60, has 'environment' in their job title, works for a large company up to 10 years. Nearly half joined their company for this environmental role, and nearly 80% agree CSR reporting is essential in successful companies. Only 2 respondents thought that voluntary led initiatives are sufficient for companies to improve their environmental performance.

Appendix 3 Interview and questionnaire-based survey response

Table A.3.1 Interview and questionnaire-based survey response

Question	Response & Key		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	y	s	
1. Of the many definitions/interpretations of CSR, what is your view or that of your company? 1a. Social responsibility 1b. Ethical responsibility 1c. Environmental responsibility 1d. Health & Safety responsibility 1e. Economic responsibility 1f. Other.	Yes, No		Y	Y	Y	Y	Y	Y	Y	-	Y	Y	-	-	-	-	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y		
			Y	Y	Y	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
			Y	Y	Y	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
			Y	Y	Y	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
			Y	Y	Y	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
			Y	Y	Y	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2. What do you consider the actual and perceived benefits from CSR? 2a. Increased stakeholder confidence 2b. Improved systems (SMS, QMS, EMS, etc.) management 2c. Improved media and communication relationships 2d. Reduction in employee sickness and absenteeism 2e. Company seen as a market leader 2f. Company more likely to win and retain contracts 2g. Other	1 Actual 2 Perceived		1	1	1	1	-	2	1	1	2	2	-	-	-	-	-	2	1	2	-	1	1	1	2	1	1		
			2	2	1	1	1	2	1	1	1	-	1	1	1	-	-	-	-	2	1	1	2	1	1	-	1	2	2
			1	1	2	1	-	1	1	2	2	1	-	2	2	-	-	-	-	2	1	2	-	1	1	1	1	1	2
			2	2	-	-	2	2	2	2	-	-	2	2	-	-	-	-	-	-	1	2	-	-	1	-	?	2	2
			1	1	2	2	1	-	2	2	1	-	1	1	2	1	-	-	-	-	1	2	-	-	1	1	1	1	2
			2	2	2	2	1	-	2	2	1	-	1	1	2	1	-	-	-	-	1	2	-	-	1	1	-	2	2
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
3. How active is your company with respect to CSR?	1 Very Much 5 Not at all		3	2	5	1	-	3	3	2	3	4	3	-	-	3	3	5	3	4	5	3	1	3	2	2	3		
4. To what extent do the following business considerations characterise CSR in your company? 4a. Management strategy. 4b. Public Relations strategy. 4c. Quality management. 4d. Environmental management. 4e. Risk management. 4f. The natural way of doing business. 4g. Charity and sponsoring good projects.	1 Very Much 5 Not at all		3	1	4	2	-	2	3	3	2	4	2	3	3	2	5	-	2	4	4	3	2	3	3	2	4		
			3	2	4	4	-	2	3	3	4	3	2	3	2	3	2	3	-	2	3	4	3	2	3	2	3	2	4
			4	3	3	4	-	4	4	1	2	4	1	2	2	1	5	-	2	3	4	3	2	4	3	4	3	4	
			1	1	3	4	-	2	2	3	4	2	2	2	2	2	2	1	2	2	1	2	2	2	2	1	2	3	2
			4	1	3	4	-	4	2	2	2	4	1	2	2	1	5	1	5	1	2	3	3	2	2	4	4	1	3
			3	2	3	3	-	5	4	3	1	4	2	4	4	2	4	-	2	4	-	2	3	5	2	3	3	3	3
2	2	5	3	-	2	3	4	2	3	1	4	1	4	4	1	3	-	5	4	5	5	2	2	2	3	2			
5. When was it apparent to you that your company was conscious of its wider responsibilities to the community?	Year A = 2005 Year B = 2004, etc.		E	P	P	D	K	C	F	B	F	D	D	D	-	F	B	D	D	D	B	F	H	E	B	E	-		
6. This was due to: 6a. A critical event (disaster, unforeseen event) 6b. Aspirations of a strategic leader 6c. Public expectations 6d. Third party pressure (stakeholder) 6e. The company has a long tradition of ES & CSR reporting 6f. Other (please specify):	Select all that apply		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	Y	-	-	Y	-	-	Y	Y		
			Y	-	-	Y	Y	-	-	-	-	-	Y	-	-	-	-	-	-	-	-	-	Y	-	Y	-	Y	-	-
			-	-	-	-	-	-	-	-	-	-	Y	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
			-	-	-	-	-	-	-	-	-	-	Y	Y	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
			-	-	-	-	-	-	-	-	-	-	-	Y	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7. How important is CSR in relation to the following business	1 Important																												

32. Implemented CSR schemes by companies are generally welcomed by government. Do you see differences in how different layers of government (national, regional, local) support CSR reporting?	Yes No Don't Know	Y	N	N	?	-	Y	Y	N	N	N	N	?	?	?	?	?	?	Y	N	?	?	Y	Y	?	Y		
33. How important is governmental support in its different layers with respect to helping your business implementing CSR? 33a. International layer (EU, OECD) 33b. National layer 33c. Regional layer 33d. Local layer	1 Important 5 Not important	2 3 3 2	5 4 4 3	2 4 5 3	3 3 5 5	5 3 2 1	4 3 4 3	3 2 2 3	2 2 4 2	3 3 4 5	5 3 4 2	2 2 2 2	3 2 2 2	3 2 2 2	5 2 5 2	?	?	?	4 2 3 2	3 3 2 2	5 5 5 5	1 2 4 2	5 3 5 5	3 3 3 3	1 1 2 2			
34. Rank the following governmental layers according to the number of contacts with your company 34a. International layer 34b. National layer 34c. Regional layer 34d. Local layer	1 for most contacts 4 for least																											
35. What would you say are the causes for these differences in governmental support with respect to different governmental layers? 35a. Governmental policies do not reach local authorities. 35b. Bureaucratic body is too static and inefficient. 35c. My company does not depend on all layers of government. 35d. My company does not need governmental support with regard to CSR.	1 Strongly Agree 2 Agree 3 Disagree 4 Strongly Disagree	3 2 2 3	3 2 3 3	2 2 1 3	3 2 1 3	3 2 1 3	2 1 2 3	2 3 2 2	3 2 2 2	2 1 2 2	3 3 4 3	1 1 2 1	3 3 2 1	2 2 2 2	4 3 2 1	?	?	?	4 3 2 4	3 4 2 3	1 2 2 1	4 3 2 4	1 3 2 3	2 3 2 2	2 3 2 2			
36. Is the management of CSR essential in successful UK rail organisations?	1 Strongly Agree 2 Agree 3 Disagree 4 Strongly Disagree	2	2	3	1	3	2	2	2	2	3	2	2	2	2	2	2	2	2	1	2	2	3	1	2	3	2	2
37. Number of employees in your company (all sites):	1=1-100 2=100-1000 3=1000-10 000 4=>10 000	4	3	2	4	2	3	4	3	2	2	1	1	1	1	4	4	3	3	2	2	2	2	3	2	2	3	
38. How long have you been in your position?	a. <1 year b. 1-2 years c. 3-4 years d. 5-10 years e. >10 years	e	c	d	b	d	a	c	e	b	c	c	b	b	c	c	c	a	c	d	c	b	c	d	c	c	b	
39. Did your company employ you before you held this position?	Yes No	Y	Y	N	Y	N	N	Y	Y	N	N	N	N	N	N	N	N	Y	N	Y	Y	Y	Y	Y	Y	Y	Y	
40. What is your age?	a. 20-29 b. 30-39 c. 40-49 d. 50-59 e. 60+	d	c	b	d	d	b	c	b	c	a	d	e	c	c	e	b	b	a	e	c	d	c	d	b	a	c	

41. Your function/job description:	4		1	2	6	6	5	3	4	3	6	3	3	3	3	5	2	2	2	2	5	3	4	4	2	2	2
	1. CSR professional																										
	2. Environment																										
	3. SHQE																										
	4. HSE																										
	5. H&S																										
	6. Other																										

Note: a to y are the 25 members of the rail industry

Appendix 4 Questionnaire and Interview Company contacts

Table A.4.1 Interviewees and Company Contacts

	Company	Contact(s) Interviewee	Position
1	Jarvis	Geoff Mason Meridian House, The Crescent, York YO1 1AW Andrew Lezala Graham Fry	Company Secretary Chief Executive HSE Manager
2	Network Rail	Peter Bragg Railtrack House, Euston Square, London NW1 2 nd Floor C Block, Hudson House, York Peter Baxter, Rail House, Store Street, Manchester	Environment Manager Environment Manager Environment Manager
3	Grant Rail	Caroline Grant Carolina Court, Lakeside Doncaster DN4	Environment Manager
4	May Gurney	Jill Griffiths First Floor Prudential House, 28-40 Blossom Street, York YO31 1BT	Environment Manager
5	Balfour Beatty Rail Projects	Gerard McLaughlin B208 Midland House, Nelson Street, Derby DE1 2SA	Environment Manager
6	Serco	Steve Milner Leicester Depot, Beal Street, Leicester LE1 0AA	SQE Advisor
7	Amec	Amanda Page Floor 3, Stephenson House, Cherry Orchard Road Croydon CR9 6JA	Environment & Safety Manager
8	Amey	Daniella Radice & Rachel Robinson One Redcliffe Street, Bristol BS1 6QZ	Environment Manager
9	GTRM/Carillion	Louise Rhydderch 9 th Floor, Quayside Tower, 252-260 Broad Street Birmingham B1 6QZ	Environment Manager
10	Birse	Anthony Myatt 500 Pavillion Drive, Business Park, Northampton NN4 74J	Company Environment Manager
11	Geoffrey Osborne Ltd	Caroline Oldroyd Osborne House, Stockbridge Road, Chichester PO19 2LL	Environment Manager
12	Balfour Beatty Rail Maintenance	James Phipps Downside Goods Yard, Off Guilford Road, Woking	Environment Manager
13	Jackson Eve	Gavin Reeve 111-115 North Street, Romford, Essex RM1 1ES	Systems Manager
14	Bombardier	Colin Walton Bombardier Transportation UK Ltd. Litchurch Lane, Derby DE24 8AD	Head of HSE
15	Taylor Woodrow	Steve Hunt 2 Princes Way, Solihull, W. Mids. B91 3ES	CSR Manager
16	Plasser UK	Bob Morgan Manor Road, West Ealing, London W13 0PP	Environmental Advisor
17	GKN	PO Box 55, Ipsley House, Ipsley Church Lane, Redditch, Worcestershire B98 0TL	Account Director
18	Bridgeway Consulting	Richard Oban House, 8 Chilwell Rd. Beeston, NG9 1EJ	Assurance Manager
19	SVP	http://www.svp.co.uk/login.php?back=contact.php	Engineering & Safety
20	Atkins	http://www.google.co.uk/search?sourceid=navclient&aq=1&oq=Atkins&ie=UTF-8&rlz=1T4ACPW_enGB355GB355&q=atkins+global	Group Q&E Specialist
21	Blyth Fencing	Redbridge House, Worksop Road, Worksop, Nottinghamshire, S81 8DX.	OSHE Manager
22	Lanceville Rail	Redbridge House, Worksop Road, Worksop,	HS&E

Appendices

		Nottinghamshire, S81 8DX.	
23	BBCapital	Balfour Beatty Capital, 350 Euston Road, Regent's Place, London NW1 3AX	Environmental Manager
24	Maintrain	Midland House 1, Nelson St Derby Derbyshire DE1	Environmental Manager
25	GNER	Phil Kitson Main HQ, Station Rise, York YO1 6HT	Environment Manager